Daily Report

Latin America

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FBIS-LAT-94-070 *12 April 1994*

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Argentina, Brazil Oppose Tariff-Free Zones

PY0804171694 Madrid EFE in Spanish 0556 GMT 7 Apr 94

[Report by Alberto Pepe Leira]

[Text] Montevideo, 7 Apr (EFE)—The Common Market of the South (Mercosur)'s progress toward a projected common tariff system as of 1995 has encountered new stumbling blocks in the past few weeks following Argentina's and Brazil's intransigence in recognizing Uruguay's free trade zones, sources involved in the negotiations have said.

The Brazilian delegation, within working subgroup No. 7, expressed the Brazilian Government's decision of "not yielding on this issue" because its interests "are non-negotiable."

Mercosur also has run into other difficulties in its integration march, like the establishment of a common foreign tariff for third-country imports, an issue that remains unsolved after one year of negotiations.

The fast development of free trade zones in Uruguayan territory, which has attracted many investors from industrialized countries, has become an issue of constant concern, especially for Brazil, which fears the competition of East Asian countries within Mercosur's borders.

The latest negotiations have been suspended, hoping for "a high-level political decision" to shed light on this problem.

This issue now must be directly resolved by the presidents of Argentina, Brazil, Paraguay, and Uruguay, who in January postponed their decision on the common tariff system.

In the Uruguayan city of Colonia the presidents on 26 January committed themselves to establishing a tariff before July, after ordering a number of additional technical negotiations.

The free trade zone issue also must be resolved in July.

Concerning these two controversial issues, the main Mercosur partners have taken different sides.

While Argentine, along with Uruguay and Paraguay, promotes a low tariff to avoid dependence on Brazilian technology, the Brazilian Government pursues the idea of protecting industries and endorses a high tariff that will make imports from third countries less competitive.

Concerning the free trade zone problem, Argentina and Brazil have allied themselves and are forming a common front against their weakest partners: Uruguay and Paraguay.

The uncertain situation involving the future of Mercosur's free trade zones has had international repercussions and negative reports for investors are circulating in the developed nations.

The Uruguayan newspaper EL TELEGRAFO, published in the city of Paysandu, 380 km northwest of Montevideo, publishes today an "exclusive report" drawn up by a Rotterdam consulting group. This "exclusive report" reviews the services potential in the River Plate basin.

The report notes: "Despite the substantial incentives and benefits that the free trade zones offer to foreign investors, there are certain uncertainties regarding their future."

The report notes that it would not be positive for capital outside Mercosur to introduce raw materials from other nations and industrialize them in the regional free trade zones.

According to EL TELEGRAFO, the Brazilians do not accept these products because "they would destroy Brazilian industry at the root of their business within Mercosur."

Pursuant to this new reality, Foreign Minister Sergio Abreu has told Uruguayan journalists that his country "will defend its free trade zones at any cost."

Banana-Exporting States Reject EU Agreement

PA0804231594 Quito Cadena Ecuador Radio in Spanish 2300 GMT 6 Apr 94

[Report by Gisela Yanez in Guayaquil from the "The Reporter" newscast]

[Text] The ministerial meeting of banana exporting countries—Ecuador, Guatemala, Honduras, Mexico, Panama, and the Dominican Republic—ended in Guayaquil. The participants analyzed the framework agreement on bananas signed by the EU commission and representatives of several Latin American countries to [word indistinct] the import of bananas to EU markets.

[Begin unidentified speaker recording, in progress] ...the market of agricultural products in general and bananas in particular. [Words indistinct] regional unity, formulas must be found to help guarantee equitable and adequate access to the European market by all suppliers. Within that context, the representatives of Guatemala, Mexico, Honduras, Panama, the Dominican Republic, and Ecuador approve the following ministerial declaration of Santiago de Guayaquil:

1. Reiterate their disagreement with the clearly discriminatory attitude toward our countries that has characterized the actions of the EU commission throughout the negotiations that concluded with the framework agreement for bananas in March.
2. Emphasize to the international community the fact that the trade policy in Regulation 404-93, which has been termed a violation of GATT by the special group, is not [words indistinct] acceptance by some countries.
3. Invoke the spirit of legality and justice that inspires the EU member countries so, in exercising their rights and powers, they will reject the procedure adopted by the EU

commission on this issue and therefore reject the aforementioned framework agreement for bananas because it does not constitute a lasting, legal, or equitable solution.

4. Bring to the attention of the trade negotiation committee of the GATT Uruguay Round, which will meet in Marrakech at the ministerial level, (?our logical rejection) of the so-called "improved offer" on bananas because it does not resolve the illegalities of Regulation 404-93, does not resolve the problem of discrimination, imposes new barriers [words indistinct], and disregards the recommendations of the GATT special group. [end recording]

Cuba

Robaina Meets With Argentine Foreign Minister

PA1104132694 Havana Radio Havana Cuba in Spanish 1300 GMT 9 Apr 94

[Text] Cuban Foreign Minister Roberto Robaina met in Buenos Aires with Guido Di Tella, his Argentine counterpart, to discuss the economic measures being implemented on the island as well as the steps taken toward integration with Latin America and the Caribbean.

Robaina held a news conference after the meeting and said that Cuba and Argentina are experiencing a new phase in their bilateral relations.

The Argentine foreign minister described his talks with the head of Cuban diplomacy as productive, open, and mutually respectful. The two officials discussed issues of bilateral interest.

Roberto Robaina, who will be on an official visit in Argentina on 13 and 14 April, made a stopover in Buenos Aires before traveling to Peru, from where he will visit several other South American countries.

Meets With Peruvian Businessmen

FL1104223094 Havana Radio Reloj Network in Spanish 1932 GMT 11 Apr 94

[Text] On 11 April, Cuban Foreign Minister Roberto Robaina met with approximately 100 Peruvian businessmen on the first day of his official visit to Peru. The frank, open dialogue focused on the needs, prospects, and difficulties of foreign investments in Cuba.

Robaina expressed, in a direct manner, the situation and difficulties that Cuba is experiencing, as well as the existing interest in obtaining foreign investments. Robaina explained that the investments' aim is to meet capital, technology, and markets needs. Robaina stated that Cuba has raw materials, a trained work force, and the infrastructure. Robaina added that Cuba is perfectly aware of the need to create a climate of confidence and security for foreign investors and has therefore established the appropriate judicial framework.

Robaina praised the approximately 100 businessmen who have already invested in Cuba, despite difficulties of all types such as the fact that Cuba is still undergoing a learning process. Robaina also discussed the U.S. blockade and added that Washington is determined to stop investors from negotiating in Cuba.

Robaina asserted that Cuba does not discriminate on the basis of the origin of foreign investments, but that those from Latin America are preferred, for this area is of the same historical and geographical background as Cuba. Robaina mentioned Cuba's daily difficulties and efforts to get ahead in the midst of great problems, and added: We are not interested in the surname of our model. We only want it to be Cuban and viable.

Signs Customs Accords With Goldenberg

FL1204125494 Havana Radio Rebelde Network in Spanish 2300 GMT 11 Apr 94

[Report by correspondent Roberto Cavada Barrera]

[Excerpt] On 11 April, Cuban Foreign Minister Roberto Robaina ratified in Peru an antidrug trafficking agreement and a customs accord between Cuban and Peruvian customs services. Robaina and Peruvian Foreign Minister Efrain Goldenberg signed the agreements at the closing of an official meeting at the Torre Tagle Palace. The meeting between Robaina and Goldenberg, who is also Peru's prime minister, lasted 45 minutes. Goldenberg granted us an exclusive interview for Radio Rebelde's "Exclusive" program:

[Begin recording] [Goldenberg] This is just one more step in the long friendship that unites Peru and Cuba. We are ready to engage in other issues and continue to make progress.

[Cavada] Are you pleased with Foreign Minister Robaina's visit?

[Goldenberg] Of course. [end recording] [passage omitted]

Deputy Foreign Minister Signs Accords With Iran

FL1104222894 Havana Radio Reloj Network in Spanish 1948 GMT 11 Apr 94

[Text] A PRENSA LATINA dispatch reports that Cuba and Iran have signed cooperation accords on cultural issues and Foreign Ministry exchanges. The documents were signed by Cuban Deputy Foreign Minister Nicolas Gutierrez [as heard] and Iranian Foreign Vice Minister Mahmud Va'ezi.

Gutierrez conducted a two-day visit to Iran where he met with Foreign Minister Ali Akbar Velayati, who described ties between the two countries as positive and friendly. Velayati also stressed the Iranian people's admiration for the way the Cuban people are facing their difficult economic situation, and praised the undying will of the Cuban people to defend their Revolution at all costs.

Third Party Participation in Emigre Meeting Rejected

FL1104130794 Havana Radio Progreso Network in Spanish 1100 GMT 11 Apr 94

[Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], has ruled out the participation of third parties in the conference on the Nation and the Emigre Community scheduled for 22-24 April in Havana. He said that representatives from Cuba and its community abroad will participate exclusively in this conference.

In a meeting with the press in Camaguey, Alarcon de Quesada stressed the importance of the meeting as part

of a process toward normalization of relations between Cuba and its community abroad.

The ANPP president also referred to the special situation of Cuban residents in the United States, some of whom have been manipulated by imperialism against the Revolution since the very beginning.

Alarcon de Quesada added that the conference, to be held in 11 days, will favor the new trends and the old, pre-1959 migrations to the United States, with the objective of working in order to survive.

Paper Scores Radio Marti 'Political Plots'

FL1104150994 Havana Radio Rebelde Network in Spanish 1155 GMT 11 Apr 94

[Text] The weekly newspaper TRABAJADORES today published a commentary by reporter Nicanor Leon Cotayo in which he details the chaos and ambition prevailing within the anti-Cuban Radio Marti.

In his commentary, Cotayo says that nine years after its creation, this radio station has become a sort of convention of chirping crickets hatching political plots. He also mentions the tight control exerted on this station by the most reactionary Miami circles headed by Jorge Mas Canosa.

The article adds that the U.S. Congress this year agreed to finance the station with $19 million of the U.S. taxpayers' money. But at the same time, it decided to withhold part of those funds until an advisory panel reviews Radio Marti activities and issues recommendations on the matter.

The manipulated objective of this anti-Cuban station is no secret to anyone. Moreover, Florida Representative Lincoln Diaz-Balart has said this station plays an important role in U.S. policy on Cuba.

In conclusion, Cotayo states that the validity or lack of validity of the role played by the radio station will be established by a working group of the U.S. Information Agency, but headed by the ultraconservative satellite, Jorge Mas Canosa.

Colombian Delegation Begins Talks in Havana

FL1104194294 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Apr 94

[Text] Five deputy ministers and other Colombian officials from various sectors will begin talks today with their Cuban counterparts as part of the preliminary meeting of the binational mixed commission that will be in progress until 15 April.

Representing Colombia will be the deputy ministers of education, health, foreign affairs, and communications, in addition to the directors of the sports, culture, civil aviation, and training service institutions.

The Colombian delegation is also made up of the National University rector, the director of the Tourism Corporation, and other high-ranking officials from the Ministries of Finance, Foreign Trade, Environment, Foreign Affairs, and the Planning Institute.

Education Minister Welcomes Dominican Delegation

FL1104170794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 11 Apr 94

[Excerpt] (Jorge Tenas Rueda), Dominican Republic under secretary of education, fine arts, and public worship, arrived today in the country. Cuban Minister of Higher Education Fernando Vecino Alegret welcomed the Dominican delegation, which also includes Dr. Roberto Reyes, rector of the Pedro Enriquez Urena University, and Dominican writer Manuel Rueda Gonzalez, national literary award winner. They will attend the ceremonies Cuba has organized to commemorate the centennial of the birthday of Dominican-Cuban writer and researcher Camila Enriquez Urena. [passage omitted]

12 Apr Military Antiaircraft Maneuvers Announced

FL1104182294 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Apr 94

[Text] An exercise involving antiaircraft defense measures will be held on 12 April between 0700 and 1500. For this reason, troops will be on the move while fighter planes will be flying over the main cities of the country and other economic and military objectives.

Castro Sends Congratulatory Letter to Workers

FL1104140694 Havana Radio Progreso Network in Spanish 1100 GMT 11 Apr 94

["Text" of letter sent by Cuban President Fidel Castro to Camilo Cienfuegos contingent construction workers; date not given—read by announcer]

[Text] Dear Comrades: I deeply regret having been unable to be with you in the ceremony held on 4 April when you completed the Jiguey-Romano-Cayo Cruz rockfill embankment project, but other work activities that could have not been postponed prevented my being there with you.

I wanted to convey to you now, however, that I felt great satisfaction and joy when I learned that you have successfully concluded that very important project.

I have been continuously informed on the development of the work by Comrade [Politburo member Julian] Rizo and, more recently, by the reports published in our press.

The figures clearly and eloquently speak of the deed you have accomplished: More than 270,000 truckloads of various materials were used; almost 2 million cubic meters of rock were dumped into the sea; over 43 km of

highway were built; and all that was completed in just 54 months and 18 days of intensive and unselfish work under very difficult conditions.

Such achievements are possible only where there are groups of workers like those of that contingent, men and women with the same resolution and will to work that you have demonstrated. It is no secret to you that the current circumstances in the country give a strategic significance to the effort we must make to create, at a more accelerated rate, the minimal structure that will help us increase our tourist capacity and enhance the quality of service in that sphere.

The rockfill embankment you have just completed is a concrete contribution to that priority effort, which is the same as saying that it is a contribution to the historic battle we are fighting today in defense of our independence, of national identity, of the future of the fatherland, of the Revolution, and of socialism.

I am pleased to know that we can count on such a group of hard workers as you are, especially now that most of the people are waging a heroic battle on all fronts to overcome this special period. You have played a leading role in another heroic deed, showing once more the spirit of fight and the revolutionary awareness that makes us increasingly stronger and more invincible.

I wholeheartedly congratulate you and thank you on behalf of the Cuban people for the contribution you have made. I also urge you to continue to be the pride of our working class, especially of the construction workers.

[Signed] Affectionately, Fidel Castro.

Discussion on Lack of Controls, Black Market

FL0904132294 Havana Radio Rebelde Network in Spanish 1600 GMT 6 Apr 94

["Straight Talk" program with host Osvaldo Rodriguez from JUVENTUD REBELDE and guest Eloy Concepcion from TRABAJADORES—live or recorded]

[Text] [Rodriguez] Lack of controls and criminality go hand in hand. This is the subject Eloy Concepcion of TRABAJADORES and I, Osvaldo Rodriguez of JUVENTUD REBELDE, will discuss today. Eloy, I want to invite you to meditate a little on how the lack of control of state institutions is fostering more criminal acts. I think the most harmful criminal activity today is the theft of the goods basic to survival that we have in minimal amounts.

[Concepcion] The visible face of criminality is often that of the petty thief who steals a bicycle, breaks open a door in an establishment to steal a few things, enters a home and steals, etc. This is the classical thief who exists in all societies, everywhere in the world.

I have meditated several times—and at times when we held a roundtable meeting to discuss this subject and have listened to the experts—and I ask myself why there was an increase in the crime rate last year, and why this problem has not yet been definitively eradicated. Without trying to be absolutist and without dreaming of being the only perfect society in the world—which is almost impossible because human beings react differently under often incredible circumstances—I keep asking: Why does this theft or misappropriation exist in our society? I want to add here the word missing inventory [faltante] in four categories: theft, misappropriation, embezzlement, and missing inventory.

The day before yesterday I brought up this subject for discussion, because talking on the street—we reporters must converse a lot on the streets and listen to what people have to say, especially those in lines, etc.—I listened to two people talking. A man was asking a woman how to get a pound of powdered milk. The woman answered: Well, you know that the boat has not arrived yet. I began to think: Well, the boat has not yet arrived... and where are that man and woman going to buy the powdered milk if she is not entitled to receive it as a special food quota or because she has a child? But later, watching Havana television and after reading the newspaper TRIBUNA DE LA HABANA, I realized that the boat with powdered milk indeed has not arrived.

I ask myself: Where does this milk come from? Milk that often sells for dollars or for 100 or 200 pesos? I cannot understand the astronomical prices that they charge for a pound or a kilogram of powdered milk. I am not talking about the milk that is bought at the hard currency stores, but the milk taken from what is distributed to children and sick and elderly people.

[Rodriguez] And the milk used to make pasteurized milk.

[Concepcion] Yes. I would like to point out one thing: All this demonstrates that we have very inefficient control mechanisms. I do not want to mention the port because it has been mentioned several times. I do not want to take it off the list or add it to the list. I do not want to mention the dairy complex, where that milk is produced, or the different plants where the it is processed. I do not want to offend anyone, so I am not naming anyone. But I do want to mention all those who have to do with the powdered milk distribution network, because it is painful. It cannot be allowed, in this society of justice, that the state spend money to import milk later sold on the black market.

[Rodriguez] We are talking about the lack of control by the state establishments, which, in my opinion, is the origin of the great black market that we are suffering today. We must say that the great majority of the Cuban people are suffering, because we must all go to that market to try to complement our diets—even though it is a mirage, because no hard worker can purchase these products at those prices. I believe these are products that we could be receiving through normal means, through our quota, our norm; yet they remain in those hands

that, as you said, are the hands of people who are uncontrolled, on the one hand, and corrupt, on the other.

[Concepcion] Yes, because we spoke of an basic product like powdered milk. We can mention other basic products, where the state....[pauses] As reporters we know; we have the information. This is a country that is facing a serious and difficult financial situation. We understand that the government and the leadership of the country, those comrades who are in charge of administering the little hard currency we have, work miracles to maintain and guarantee those products to the people who need them. Sometimes, because of the blockade, we must go around the world to purchase those products on credit, credit that many times is not granted. We must obtain hard currency, one way or another.

As a reporter, as a Cuban, and as a patriot, I am hurt by these things, especially when one sees these products being sold on the black market. Now, I ask the comrades, officials, administrators, workers who have to do with this: Does it hurt you that these products, which are brought into Cuba to cover specific needs, fall into the hands of the black market? What control is there at the port? What control exists in the dairy complexes and the processing plants? What control is there in the business system and in the distribution network? What control is there over the truck driver who distributes the product to the marketplaces and stores? What control is there over the administrators of those stores to keep those products from reaching the black market?

[Rodriguez] I believe that in the last few days, the Cuban people have had the opportunity to see action by the police and are getting upset with the attitude of certain administrations. I have in mind one administrator who did not regard the 200 tons of sugar stolen from his enterprise a considerable amount. At that moment, Havana City was going through a sugar crisis. It was the middle of the month and sugar still had not been distributed to Havana City.

I believe there are many administrators who do not care. But I also believe that some of these administrators are consciously linked to this type of illegal activity. I am not saying that they always participate in the distribution or theft network; but they embezzle some for their home, some for their friends, and some to solve the problems for John Doe at X enterprise because, at the same time, he is solving X or Y problem for him.

I believe this to be a key element. It is something that used to be criticized in the enterprise assemblies which were held at provincial levels, and it is something that continues today. It is something that is unimaginable.

Just recently, I wrote an article in JUVENTUD REBELDE on just such an incident. It was about a person who used fake checks to steal from several enterprises in the capital. Those enterprises, in an attempt to solve the problem of another supposed enterprise, would sell him their products. That individual would simply sell those products on the black market and thereby solve a number of problems far removed from the purpose for which the goods had been produced.

[Rodriguez] Concepcion and I are talking here about the damage caused by the lack of controls in state institutions.

[Concepcion] I think we cannot generalize the idea that all comrades in state institutions are involved; the state institutions have an organization of their own and comrades work in various areas—commerce, gastronomy, industry, and construction. That is, there are comrades working at the provincial level, at the state institution level, and at the municipal level, who must oversee and check these institutions in addition to what is done by the state administrative apparatus, by the company, or by the ministry. Now I ask: What do these comrades do? Why, if this is well known—because if I am aware, all people are aware of this problem—why are not the officials, administrators, and leaders of the people's government in charge of that area not doing anything? But even more serious is the fact that most workers from the labor centers are aware of the problem. I think there is also the other problem you mentioned: I think there is a false concept of cronyism, of comradeship, of the idea that I see you and I let you do it, because this follows the saying that a shrimp that jumps into the water will splash.

[Rodriguez] No, it is not a shrimp, it is a shark. A shark swims and splashes.

[Concepcion] Yes, something along that line. The truth is that there is a moral lack. In my opinion, there is a lack of morality in the administration and in the labor centers where there are no requirements and where there is no moral authority who can point a finger, because he himself is afraid of being pointed at. He is not saying anything because he is afraid that others will say: What can you say, since I saw you doing this?

[Rodriguez] And what about those who justify theft because of the current scarcity in the country? This subject will surely demand another "Straight Talk" discussion, because lately people would agree in saying: Well, what can we do about it if this is the way things are? But I have not seen anyone stealing in order to eat. This case I have not yet seen, although it might happen. Everyone steals goods to sell on the black market.

[Concepcion] Theft has nothing to do with people's needs. I was raised under capitalism, and my father taught me not to steal. I think our people are sound and honest. Our workers are honest and most of our officials are honest, I am convinced. What happens is what you recently talked about: something called bureaucracy, something called scheming or mechanization. We have discussed these ideas at length. For instance, this morning I used the term, missing inventory [faltante]. I think all these things have created a negligence, a lack of requirements, and a lack of aggressiveness. I would also say, as Luis Sexto once said on this program that there is

a passivism. I do not know where the dividing line is between passivism and negligence, but both are damaging to the Revolution. I think there must be some elements behind this who either wittingly or unwittingly are damaging the Revolution. When I was in the black market, I realized that selling one kg of powdered milk brought for children and the elderly is much more harmful than any direct counterrevolutionary action.

[Rodriguez] I believe that many of these administrators do not even know what is being stolen from them, because they do not have the slightest controls over the products.

[Concepcion] If they do not have any controls, and if they do not know what is being stolen, they should not be administrators. So, in addition to a raid against thieves, there must also be a raid against the administrators who allow themselves to be robbed.

[Rodriguez] Lack of controls and criminality unquestionably go hand in hand. I think we have to cut off the hand of criminality and the hand of lack of controls.

Machado Ventura Views Harvest in Ciego de Avila

FL1104152794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 11 Apr 94

[Text] Politburo member Jose Ramon Machado Ventura has visited several agroindustrial complexes and Agriculture Ministry organizations in Ciego de Avila. During these visits, he learned about the measures adopted in that province to make up for the delays in sugar production.

[Begin Machado Ventura recording] A great effort is being made here concerning sugar cane production, because we have to fulfill, the country has to meet a goal; this province, specifically, is behind schedule, and this plan, which is behind schedule, must be recovered. It does have the possibility of overcoming the delay. [end recording]

On a different occasion of his visit, Machado Ventura praised the working spirit of the people of Ciego de Avila, not only during the harvest period but also in all other agricultural activities despite the severe limitations imposed by the special period.

[Begin Machado Ventura recording] There is optimism despite the current conditions, and in general I can tell you that the effort being made by the people is admirable. [end recording]

According to Machado Ventura, this effort is the best greeting they can convery on international workers' day.

[Begin Machado Ventura recording] This year, as has been explained, workers' day will be observed in each workplace by carrying out the main tasks, those which are essential. This has begun, because the workers are not waiting for 1 May to do so. This does not mean that the commemoration will take place on that day alone. I think that 1 May must be celebrated every day in the area of production and under the current circumstances. [end recording]

Machado Ventura concluded by stressing the significance for the country of sugar production in this province. For this reason the fulfillment of the harvest objectives is the major challenge for the people of Ciego de Avila, and is the response the nation expects of this province.

Nuclear Technology Program Discussed

FL0804211094 Havana Cuba Vision Network in Spanish 0100 GMT 6 Apr 94

[Second "Open Agenda" program segment on Cuba's nuclear program with host Antonio Resillez and guest Gilberto Salazar, vice secretary of the Nuclear Affairs Executive Secretariat, SEAN—live]

[Excerpts] [Resillez] Today's program is rather unusual in that most of the information will come not from dialogue but through videos. We have prepared several reports that we are confident will give our viewers a comprehensive idea of the practical application of nuclear technology in the Cuban economy's principal developing sectors.

"Open Agenda" will include exclusive statements by the director of the radiation health and safety center, as well as by SEAN executive secretary, engineer Andres Garcia—a rather important part of tonight's program.

We wish to begin with a report by Cienfuegos correspondent Omar George. [passage omitted]

[Resillez] Salazar, the SEAN gives particular attention to the completion of the isotopes production center. I recall that on last Tuesday's program we talked about isotopes and their characteristics. I would like you to explain the importance of this center.

[Salazar] The Isotopes Production Center is going to be the largest and most complex nuclear-technology facility, and is extremely important for economic as well as strategic reasons. At its temporary facility at Quinta and 30th Streets, three radiopharmaceutical products are manufactured, but there are certain products that cannot be made there. The new facility will make producing more products a reality. It will also allow us to increase the volume of these products. In a short period, we will be able to produce 25 items. At the temporary facility, we can produce only three items. By 1995, we expect this increased production to save Cuba approximately $1 million; hence its economic importance. In strategic terms, this increase in production will allow us to increase the application of nuclear technology nationwide, and reduce our foreign dependency.

Moreover, this work of producing, receiving, and handling the isotopes in a centralized manner will increase

safety in this area. This new center will thus be of tremendous importance to the country.

[Resillez] Thank you, engineer. We are now going to run a video that will confirm and perhaps increase understanding of this center, and will also show the current stage of construction of this isotopes production center here in Havana.

[Begin video recording by unidentified reporter] Among the priorities of Cuba's nuclear program is a modern isotopes center that is being built in the vicinity of Pedro Pi in the eastern part of Havana. Conceived as a production, research, and development unit, this center seeks to extend nuclear techniques to medicine and industry. Its basic objective is to organize reception and quality control, distribute the primary radioisotopes, and produce whatever is needed in Cuba.

This center intends to carry out a number of tasks, among them production of radiopharmaceutical products and tracer compounds [compuestos marcados] essential for medical diagnoses and therapy. The tracer compounds are practically irreplaceable instruments in developing new medicines, a program the country is implementing.

The requirements for registering and marketing these medicines include complex pharmacokinetic studies, many of which are possible only when the molecules are marked with radioactive isotopes that allow them to be followed through the living organism, tracing their body's accumulation and excretion processes, as well as other characteristics.

A group of radiochemists from this center are in charge of doing the radioactive marking of this new medicine known as PPG. This has allowed a savings of $17,000, and above all, protection of the formula, which should be revealed to the foreign company in charge of the marking.

Because of its production capacity and characteristics, the new plant—which employs Argentine technology—will be the largest facility in Cuba to handle radioactive material. Consequently, SEAN has paid special attention to the work in order to guarantee its safety from the very beginning. [end recording]

[Resillez] Probably very few people are aware that nuclear technology is employed in vital areas of the country's economic and productive spheres. Some may be aware of this, but for many it will come as a surprise.

When I say vital areas of the country's economic development, I am referring, for instance, to the sugar agroindustry, nonsugarcane agriculture, the nickel industry, biotechnology, and others, which could include exploration for and extraction of Cuban crude oil. In all these lines of development, nuclear technology is used. I think the best way to convey this to our viewers is through the following report:

[Begin video recording of unidentified correspondent] The use of nuclear technologies in various spheres of national life is one of the main objectives of Cuba's nuclear program, which received a special thrust in the 1980's. The areas in which these techniques are used includes agriculture, the sugar industry, and iron and steel production, as well as geological exploration for oil and minerals.

Cuban agriculture has especially benefited from the use of nuclear techniques. Through the use of ionizing radiation, an important phytotechnical program of mutation has allowed us to obtain a variety of new plants of great economic importance. An accelerated program using the technique that leaves plants insect-free has been implemented to control pests that affect several crops; the most important results achieved have been with the borers that attack sugarcane. Radioactive tracers and nuclear analytical techniques in the sugar agroindustry have allowed us to evaluate the operations of our installations and learn about the chemical composition of the products and by-products obtained.

The use of radioisotopic instruments has developed greatly over the past few years. The iron and steel and mechanical industries must be highlighted. Factories in these industries use monitoring systems based on this type of equipment. This production line is currently being strengthened, with the possibility of developing and producing equipment for these purposes in Cuba. An example of this is the nickel industry's humidity-measurement system based on the method of reflecting neutrons that was designed and manufactured in Cuba. This system gives us a tremendous saving in fuel.

The other area in which nuclear techniques are used is petroleum research. Determining the point of interphase between water and oil and establishing the causes of failures in wells under exploitation are two of the objectives of the use of radioisotopic techniques in which foreign companies currently operating in Cuba have expressed interest. [end recording]

[Resillez] Engineer Salazar, before going on to discuss the use of these practical techniques, I think our viewers might be interested in learning whether our nuclear development program is maintaining fluent international relations or is at all isolated.

[Salazar] It maintains good relations, internationally. [Words indistinct] to show that our program is consistent and on the right path. We have bilateral relations with approximately 15 countries, and multilateral relations through the assistance and cooperation system of the International Atomic Energy Agency [IAEA], of which we are a member. Proof of this is that we have been elected to the board of governors by Latin America for a fourth time. This will give you an idea of the prestige we have achieved and of our current relations in this regard.

We have received support from the IAEA for the period 1993-94 in support of the work we have been developing

in Cuba involving the use of nuclear techniques. This support amounts to $1.2 million and has been provided to Cuba in equipment, training, and advising. This cooperation increased to $8 million over the past two [as heard] years and includes a food irradiation plant; a gamma chamber; modern nuclear-medicine equipment; modern equipment for other techniques applicable to industry, agriculture, (?and) computer laboratories; and technical assistance.

I also want to point out that when we talk about $8 million over the past 10 years, we are referring not only to SEAN but to the nation. The Cuban nuclear program, through SEAN, supplies the entire country: Over 56 percent of those resources is in other organizations such as the Ministry of Agriculture, the Public Health Ministry, et cetera.

[Resillez] Thank you, engineer. I see Engineer Salazar's reference to the health program and the presence of nuclear techniques in the health system as opportune. I am almost convinced that this is nothing new for our viewers, but let us see what happens with the practical use of nuclear techniques in the health system and in biotechnology.

[Begin video recording of unidentified correspondent] Nuclear science and technology are becoming increasingly more important in the health program, in biotechnology, and in the pharmaceutical industry. Diagnostic methods with the use of radiopharmaceutical instruments are indispensable to the public health system. Among the radioisotopic techniques we can mention is the gammagraphic technique broadly used in neurological, cardiological, oncological, renal, and other studies. Cuba has a total of eight gamma cameras installed in nuclear medical services nationwide, in which professionals and experts in nuclear matters are working. National consumption of radioisotopes and tracer compounds has increased to more than $1 million annually over the past five years, although this cost has dropped over the past few years thanks to a group of radiochemists from the SEAN who have produced three tracer compounds used in renal, bone, and brain studies. This has allowed a savings of more than $100,000 annually. The radiosterilization system has allowed the decontamination and sterilization of bioprepared plastic materials and of medical-pharmaceutical products. The tracer compounds are in great demand in the genetic engineering and pharmaceutical industries. They facilitate the demand for studies of new pharmaceutical products before their registration. The task of the Cuban nuclear experts has also been extended to producing a small quantity of medical equipment. This equipment, which is produced in the country, are of high quality and very competitive. An example of this is the Degos bone density measurer for the diagnosis and treatment of problems in bone metabolism and in osteoporosis. It operates through a nuclear method called (photonic) absorption. This is very important for the studies of bone metabolism implemented by the Public Health Ministry. [end recording]

[Salazar] Resillez, with the opportunity presented by this video, I would like to mention a few things. The video says that we have eight gamma cameras in the country. I would like to add that nationwide today, we have 17 nuclear medicine modules. This shows the high-level diagnoses that can be made of given diseases anywhere in the country.

The video also mentions the production of some medical equipment we already discussed in the previous program. As you can see, the quality achieved is outstanding, and not only for this show. This has been confirmed by our own medical personnel who are using this equipment, although they are still facing a medical registration process.

[Resillez] Thank you, engineer. The use of all these nuclear techniques, not only in Cuba but in any country in the world, demands very professional work and severe safety measures to prevent damage to people or the environment. In Cuba, of course we are doing this. In the following video we are going to see what is happening in this field. Then we are going to listen to Dr. Luis (Jova), who is head of the Center for Radiation Protection and Control [centro de proteccion e higiene de las radiaciones—CPHR]. We therefore consider this video and these exclusive comments for Open Agenda of great importance to national public opinion.

[Begin video recording by unidentified correspondent] Since its founding in 1985, the CPHR has been the coordinator and leading guide for radiological activities in Cuba. Together with the territorial delegations to the SEAN, it controls the radiation dosage received by each worker professionally linked to ionizing radiations in the 192 radiation institutions operating in the country. One of the most relevant activities carried out by this center is the research entitled: Environmental Radiological Studies Carried Out in Cuba Between 1984 and 1992, awarded by the Cuban Academy of Sciences.

The radiation control task includes study and control of the local and regional influence that man has on the environment, of nuclear and radiation installations, and the influence of overall radioactive discharge. The data released by the national network is representative of the whole country. For their study, zones of economic interest have been prioritized, such as Juragua in Cienfuegos, and those of interest to tourism such as the northern coast of the provinces of Ciego de Avila, Camaguey, and Las Tunas. One of the conclusions of the radiation studies is that the radioactivity to which current and future visitors could be exposed in a tourist zone as important as Cayo Coco, Cayo Guillermo, Cayo Paredon, or Cayo Sabinal, and the beaches of Santa Lucia, Covarrubias, or Por Ella, is much less than the average level throughout the world.

Cuba is a territory with a normal radioactive background. It is a place with radiological conditions favorable to the development of any human activity in general, as well as being a magnificent place for those people

who, in addition to the beauties of the area, enjoy the environmental cleanliness. The CPHR has demonstrated this with solid scientific arguments. [end recording]

[Begin (Jova) recording] In fact, in addition to what you just saw, we can add that our center, as a center in charge of all scientific and technical services in the area of radiological safety, has participated [passage indistinct] treatment of children from the area affected by the Chernobyl accident, our experts have been charged with making a review and evaluating the amount of radiation these children received. Other studies have been developed in the field of radiology.

In 1986, our center was also given the mission of collecting all radioactive sources no longer in use in the country, and to confine them safely in quarters owned by the SEAN and specially designed and built for that purpose. We were also charged with collecting all radioactive waste generated by institutional users of these sources. These wastes were also treated and are safely kept, thanks to technology designed by experts from our institution and our country.

As you were able to see in that video, our center has an important responsibility concerning environmental radiation control. This, linked to services rendered in the radiation protection area by workers who are professionally exposed to radiation, guarantees radiation protection of the people, of workers who are exposed because of the work they do, and of the environment throughout the country. [end recording]

[Resillez] Cuba has been working on its nuclear program for almost 20 years. Preparation, production, and training have been the essential pillars of this complex project which, as you have seen through these two consecutive programs on Open Agenda, the country can already witness the results it has achieved.

A few hours ago we had a long chat with Engineer Andres Garcia, executive secretary of the National Atomic Energy Commission. As we said in the beginning, we attribute great importance to this conversation, especially regarding information for national and international public opinion. We have taken one segment of that dialogue, which basically discusses the prospects of the Cuban nuclear program. With that, we wish to conclude these two programs devoted to this issue, but not before expressing our gratitude to the SEAN and its information center for all the support they have provided us for this program. I would also like to thank Engineer Salazar, and you, viewer, for tuning in to this Open Agenda program.

[Begin Garcia recording] First, I would like to thank everyone involved in this program, and especially you, Resillez, for this opportunity you are giving us to inform our people through this program about the Cuban nuclear program.

Those videos have demonstrated that our nuclear program is in good health. Concerning future prospects, we are making efforts to begin the nuclear energy program. Thus, in the development of increasingly more complex installations, we have begun with the principle of using our own efforts—in this case, the scientific potential created by the Revolution—in this scientific-technical structure.

Apropos to this idea, I wish to say that our development must be essentially based on the capacity created by the country to design and build complex installations in this field. We thus consider it a priority to keep our experts united, and especially to keep them developing their knowledge in the scientific-technical field.

The world must think more and more about how to solve future energy problems. It is not only Cuba facing this energy crisis today. Man must think about how to solve this problem in the future. In this regard, nuclear energy plays an important role, and great efforts are being made today to develop sophisticated reactors, fast-breeding reactors, and nuclear fusion, which have greater potential than the current methods.

What we have been doing so far is a way of keeping ourselves up to date on possibilities for beginning a much more complex energy generation system in the near future. However, if we abandon this idea, the potential created over the years by the Revolution would be dispersed. I think we, the men working in this field, have an obligation to be realistic and sensitive to the country's situation, confronting tasks that have to do with current times. But we must also have a view of the future, and work on this view. This is the way we think at the SEAN, and I think I can say, to sum up this idea: We must be able to daydream.

I think our commander in chief, in his historical allegation—and history will support me—being a young lawyer, was able to have a future view of nuclear energy. In his allegation then, he was already referring to the importance of nuclear energy to solve the country's economic problems. Imagine! In 1953, we were a year short of operating the first nuclear power plant in the world. [end recording]

Haiti

Senate Bloc Resolution Demands Elections

FL1104140594 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Apr 94

[Monitored in progress]

[Text] ...by 11 of 13 votes, thanks notably to the votes of eight senators elected in the contested partial legislative elections of 18 January 1993 and not acknowledged by the international community. Article 149 stipulates that in the event of a vacancy in the Presidency of the Republic for any reason, the president of the Court of Cassation is invested provisionally with the powers of president of the Republic by the National Assembly,

duly convened by the prime minister. It stipulates also that new presidential elections will take place within 45 to 90 days after the beginning of the vacancy.

In this precise case, the senators pointed out that the elections, which will be presidential, legislative, municipal, and local, could be held after the 90-day deadline in order to respect the constitutional electoral calendar. The parliamentarians who passed this resolution intend to send it to the Chamber of Deputies on 11 April and to inform the president of the Court of Cassation, Emile Jonassaint, of their decision.

No senators from the National Front for Change and Democracy or the [Constitutionalist] Anticorruption Alliance were seen at the 10 April session, where political leaders spoke. The leaders of Mobilization for National Development [MDN, headed by Hubert de Ronceray], Haitian Party of God [the Reverend Richard Vladimir Jeanty], and Democratic National Rally Party [Constant D. Pognon] explained the resolution of the Coordinating Committee for National Mobilization [CCMN].

After the vote, the MDN leader expressed his satisfaction and made the following clarification before the microphone of Leontes Dorzilme:

[Begin De Ronceray recording, in Creole] You must not confuse the stance of CCMN and that of MDN. The latter takes and always has taken a stand in favor of Justice Joseph C. Nerette, whereas CCMN has never cited any name. It merely demands the implementation of Article 149 with the formation of a provisional, ad hoc government. It does not specify any names. So, we cannot say CCMN is satisifed or dissatisfied with Justice Jonassaint or Justice Nerette. I would like to make this distinction: This problem concerns MDN and does not concern CCMN. [end recording]

It should be recalled that the Chamber of Deputies has already approved a plan for the resolution of the crisis. This plan is backed by the United States and the United Nations and is not yet supported by the opposing bloc of the Senate headed by Senator Firmin Jean-Louis, who is acknowledged by the international community.

For his part, President Jean-Bertrand Aristide has rejected this plan, which provides for the installation of a prime minister after the early retirement of the head of the Army, General Raoul Cedras, but sets no date for his return to Haiti.

It must also be said that the resolution passed on 10 April states that the new provisional president will have to handle the international embargo against Haiti.

Sansaricq Comments

FL1104205594 Port-au-Prince Radio Metropole in French 1045 GMT 11 Apr 94

[Excerpts] One of the two antagonistic blocs in the Senate of the Republic, presided over by Senator Bernard Sansaricq, voted on 10 April to implement Article 149, which provides for the nomination of a provisional president and the holding of new elections within 90 days. Rothschild Francois filed a report:

[Begin Francois recording] By deciding on 10 April to vote for implementation of Article 149 of the Constitution, the branch of the Senate led by Sen. Sansaricq intends to implement the closing of the Aristide file and a new beginning; endowing the country with a provisional president chosen from the Court of Cassation; the ratification of a new government; the holding of elections; and the assumption of office by an elected president on 7 February 1995.

Long before he became involved in voting for this resolution during the session attended by some political leaders, the president of this Senate office, which is not recognized by the lower chamber, pointed out that he did not expect the sanctions to be lifted this way. Sen. Sansaricq asserts, however, that it is necessary for the country to be led by a conscious, responsible team that could manage the embargo. His colleagues also recommended a serious government capable of assuring the management of the heavy burden of Haiti's economic sanctions.

This session on 10 April in the Senate brought together eight senators elected on 18 January and five from the normal office. Four hours of discussion were necessary for the legislators to reach a vote on this resolution leading to Article 149 of the Haitian Constitution. Osny Eugene, elected on 18 January, is the author of this document. In the 10 April resolution, senators from the Alliance and from 18 January equate the refusal of President Aristide to choose a prime minister with his resignation.

These senators also decided to revoke the June 1993 decree that restored President Aristide to his functions and to declare and acknowledge the presidential vacuum. For them, Article 149 was unavoidable. [passage omitted] It should be recalled that the Chamber of Deputies does not recognize this office of the Senate of the Republic. [end recording]

Sansaricq: Senators To Meet Jonassaint

FL1104215094 Port-au-Prince Signal FM Radio in French 1700 GMT 11 Apr 94

[Excerpt] By the way, the president of the second Senate office, Bernard Sansaricq, explained that a delegation of three senators will meet with Attorney Emile Jonassaint, president of the Court of Cassation, on 11 April:

[Begin Sansaricq recording] I think that a delegation of three senators—I just designated them: Senator Dupiton, Sen. Osny Eugene, and Sen. Metellus—is going to inform him tonight of the resolution adopted by the Senate of the Republic. [end recording] [passage omitted]

DeRonceray Defends Resolution

FL1104221594 Port-au-Prince Radio Metropole in French 1600 GMT 11 Apr 94

[Passage in quotation marks in Creole]

[Text] The leader of the Mobilization for National Development, Professor Hubert de Ronceray, attended the session in the Senate and called the initiative of the second Senate office a step in the right direction while political leader Montalvo Despeignes wonders about the applicability of such a resolution:

[Begin recording] [De Ronceray] "I believe a major step has been taken, a very important step. Now other steps must be taken. For instance, the Chamber of Deputies must also act. I think that the effort that has just been accomplished here is a major one, and I believe that the whole country, following this action, must appreciate it very much. We are almost sure that in the Chamber of Deputies there are some men, some representatives who are more or less responsible, who understand the seriousness of the situation. We therefore hope that good news will also come out of the House of Deputies... If they reject it, they will again create some serious problems in the country, and I believe the population will finally speak its piece.

[Reporter Francois] "Will you be willing to accept the post of prime minister if they call on you?

[De Ronceray] "If they call on me, I will consult with the party and if the party agrees, then I have no problem."

[Francois] Mr. Despeignes, your comments.

[Despeignes] When it comes to the Constitution, there is nothing one can do, but I question the implementation and applicability of what has just been done because the parliament is not the only actor in this play.

[Francois] The Senate is not the only actor....

[Despeignes] The Senate, the parliament—it is still the same entity—let us say they are not the only actors despite the principle of sovereignty in this crisis.

[Francois] Do you mean the Army?

[Despeignes] There is the Army on one side, there is the international community, and there are the political forces. Perhaps it will be necessary at an appropriate time to reinforce this Article 149 with the vast possibilities offered by Article 111. Because in any case, this is already an ad hoc government. It will therefore be necessary to broaden the operational field of this ad hoc government in order to institutionalize the state, the society, and to organize the nation. [end recording]

Senators, Party Leaders Criticize Resolution

Larosiliere: Actions 'Bluff'

FL1104200894 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Apr 94

[Excerpt] Any viable solution to the Haitian crisis must facilitate the lifting of the embargo, according to statements by [Senator] Julio Larosiliere, who labels the actions of the second office of the Senate of the Republic a bluff. The true solution is the one that will answer the desiderata of the Haitian people, says Sen. Larosiliere.

[Begin Larosiliere recording, in Creole] In my opinion, this is a bluff because any solution that does not take into account the entire Haitian people and the lifting of the embargo will fail, is not good. I have the impression that those who want it have something up their sleeve. Many of those who want it would like to see a government established even though they know it will not be ruling for longer than two months. Meanwhile, they will have time to dissolve the parliament, raise the money ceiling, put money into circulation. It will also allow them to put some money in their pockets. As exile does not harm them, this is not a problem for them, even if they find a way to remain in Haiti. But at least they will have time to make some money. [end recording]

In addition, the quaestor of the legitimate [Senate] office has asked the 18 January senators to refrain from participating in the sessions, as provided for by the New York pact. [passage omitted]

RDC Leader: Implementation 'Illegal'

FL1104213394 Port-au-Prince Signal FM Radio in French 1700 GMT 11 Apr 94

[Text] The implementation of Article 149 is illegal. That was a statement by Eddy Volel of the Christian Democratic Assembly [RDC]. Volel says President Aristide has been acknowledged as president, so the country cannot be led by two presidents.

[Begin Volel recording, in Creole] ...of Emile Jonassaint, whom they want to put in power through Article 149, is illegal, unconstitutional, and contrary to the people's will. Raoul Cedras and the Army acknowledged Aristide as president twice, on 16 December 1990 and on 3 July 1993. [end recording]

That was RDC leader Eddy Volel.

Mayor Blames Resolution Authors

FL1104214994 Port-au-Prince Signal FM Radio in French 1700 GMT 11 Apr 94

[Text] Evans Paul, mayor of Port-au-Prince and National Front for Change and Democracy spokesman, criticizes the authors of the resolution for enforcement of Article 149 of the Constitution. It is the coup d'etat logic that continues, Port-au-Prince Mayor Evans Paul told the Haitian Press Agency regarding the 10 April vote by the Senate [office] led

by Bernard Sansaricq for a resolution relating to the reenforcement of the Constitution. It is a masquerade without legal foundation, by individuals with no electoral legitimacy, who do not respect any logic, he adds, explaining that their objective is to work for the ruin of the people and to guarantee themselves continued illicit wealth.

Paul further stated that the international community will not back this undertaking, which is already doomed to failure and which will most likely result in reinforcement of the sanctions.

After accusing the authors of the resolution and their allies of responsibility for the misfortunes of the country, Mr. Paul noted that no one has acknowledged Sansaricq as president of the Senate. Neither have the parliamentarians stemming from the contested 18 January [1993] elections, whose fate depends on the verdict of the arbitration committee provided for by the Haitian Constitution, been acknowledged as senators.

EZLN Issues Communique on Zapata Anniversary

PA1204013594 Mexico City Radio ACIR Network in Spanish 0000 GMT 12 Apr 94

[Report by Juan Carlos Santoyo in San Cristobal de las Casas, Chiapas; from the "ACIR Radio News" newscast]

[Excerpt] We have something important to report. We have obtained a communique from the Clandestine Indian Revolutionary Committee-General Command, Zapatist National Liberation Army [EZLN]. As usual, communiques get to us a bit late. This one is dated yesterday, 10 April 1994 and reads:

To the rank and file which support the EZLN. To the Zapatist regular and irregular fighters in all the EZLN corps.

Companions. Today, 10 April 1994, marks the 75th anniversary of General Emiliano Zapata's murder and the 100th day of our just struggle against this bad government.

Just as in 1919, the Zapatists must shed blood to pay for our demands to obtain land and freedom. Just as in 1919 the supreme government kills us to make us pay for our rebellion. Just as in 1919 the land is not for those who work it. Just as in 1919 weapons are the only option the government leaves to those of us who do not have land. That is why we have taken up arms. That is why our companions have been killed during the 100 days of our war. That is why we pay homage today to the heroes and martyrs of the Zapatist struggle, to the people who always die and who will always live with us.

It is for this reason we repeat today we will not surrender or give up our weapons. There will be no peace until we can achieve a just and deserving one. We will not abandon the struggle until people throughout Mexico have democracy, freedom, justice, independence, decent housing, well-paying jobs, land, good nourishment, health, and education. Until such conditions are met, our armed measures will continue, and our flag will continue to fly in the Mexican mountains.

Salutations, Zapatist brothers. Death to the government. Viva the EZLN.

The communique, as is customary, is signed by Subcommander Marcos.

We have received this communique from colleagues who were allowed to go to the area in the jungle where the EZLN is stationed. We note the EZLN is only allowing a few reporters to enter the area it controls; access is very limited. Only a few media sources are allowed to enter. [passage omitted]

Marcos: Talks With Peace Commissioner Postponed

PA0804150294 Monterrey EL NORTE (Foreign Edition) in Spanish 4 Apr 94 p 1a

[Report by Miguel Perez and Jesusa Cervantes]

[Text] San Cristobal de las Casas—Subcommander Marcos has said the second stage of negotiations between the Zapatist National Liberation Army [EZLN] and Peace Commissioner Manuel Camacho Solis, which was supposed to begin here yesterday, was postponed following Luis Donaldo Colosio's assassination.

The EZLN leader did not give a date for restarting the dialogue, nor has the government. Sources that asked not to be identified have said Peace Commissioner Camacho Solis will arrive in San Cristobal de las Casas on 5 April. The source added part of the team and Camacho Solis could arrive on the first commercial flight to Tuxtla Gutierrez on 5 April.

The commissioner suspended his message on restarting talks he was to give the media on 23 March, because Colosio was assassinated that day. No one knows the content of Camacho Solis' new message, because the one he was to deliver two weeks ago concerned restarting negotiations with the self-styled EZLN. According to reports from Marcos, the second stage of talks should have begun yesterday in what has become known as the Peace Cathedral here in San Cristobal de las Casas.

The announcement the peace commissioner will make will also be influenced by the decision of the Clandestine Indian Revolutionary Committee-General Command to suspend consultations with the EZLN over an alleged withdrawal of Mexican Army troops from their territories.

Up to yesterday there was no communique from Marcos to report the resumption of talks between the armed group on Camacho Solis' proposals.

Mexican Army troops enjoyed a fourth day off thanks to a decision by the 31st Military Zone based in Tuxtla Gutierrez granting rest and relaxation to soldiers who had spent the most time in the front.

Authorities Hold Six in Colosio Murder Case

PA1004032694 Mexico City Radio ACIR Network in Spanish 0000 GMT 7 Apr 94

[From the "Radio ACIR Newscast"]

[Text] The most recent information supplied by the authorities tasked with investigating the murder of Luis Donaldo Colosio indicates that the authorities have so far arrested six people who are presumably involved.... [pauses] accused of co-participating or co-masterminding the assassination of Colosio.

The last person to be arrested was Salvador Hernandez Tomasini. He was identified as one of the individuals

who collaborated with the plot to assassinate Colosio. Sources at the Attorney General's Office reported that Hernandez, according to the Assistant Attorney General's Office in charge of the case, was the person in dark glasses who was advancing on the candidate's left flank, called his attention, and knelt on three occasions; the last time when the Institutional Revolutionary Party [PRI] candidate was hit by gun shots.

The arrest of another person who is assuredly involved in the plot is pending. He is the person who threw himself at the feet of the candidate forcing him to stop and look down. At that moment, Colosio was shot by someone holding a revolver, apparently Mario Aburto Martinez, the confessed assassin and presumed murderer of the PRI presidential candidate.

It is still said in Tijuana that it is shameful and grave that the PRI recruited those involved in Colosio's assassination to work as security guards. In other words, the party recruited the hired assassins. Jesus Ruiz Barraza, former PRI leader during 1986-89 in the State of Baja California, made this observation.

Remember that elections were held in Baja California in July 1989 and that the PRI lost the governorship, which was won by Ernesto Ruffo Appel of the National Action Party [PAN]. Henceforth, the PRI in Baja California started to dismember, to disintegrate. There is resentment, profound resentment.

Thus—and this is speculation, a theory that we were noting yesterday and that continues to gain force—it appears that the masterminds of this crime are PRI groups that resented Luis Donaldo Colosio, because as national PRI president, he recognized the PAN victory, that is, the victory of Ernesto Ruffo Appel. PRI candidate Margarita Ortega de Villa lost that election.

This is very serious, this former PRI leader in Baja California said. It shows a lack of responsibility and knowledge, but this was predictable a long time ago, because these people were attacking the party ever since I was a leader, Barraza pointed out. He added that they are the people with whom I had frictions and disputes, because I did not want the scourge of society to be part of the PRI. This is a very serious and delicate issue. Barraza was interviewed at the international airport in Tijuana.

Lazaro Cardenas, also a former political leader in Baja California, said that the result of a disorganized party and Political Council, in which each one of its 300 members have gone their own way, is negligence in contracting those who should have protected Colosio. This was undoubtedly an important factor that affected his assassination.

The people involved in the assassination of Luis Donaldo Colosio, according to the authorities—and based on available videotapes—were identified as members of a group called TUCAN. TUCAN, we reported yesterday and the newspapers noted today, is an acronym whose expansion is: All United Against National Action [Todos Unidos Contra Accion Nacional]. In other words, this is a group struggling to recover the governorship, power in Baja California. In this case, they resorted to violence to protest against what Luis Donaldo Colosio had done, at least that is what the evidence shows for the time being.

Thus, we are getting closer to what might be the truth. This is why Ernesto Zedillo, who leads this effort, and leaders of the industrial, commercial, and other sectors, and of the political party demand that this investigation be completed at all cost.

Paper Views Effect of Colosio Death on Exchange

PA0904005494 Mexico City LA JORNADA in Spanish 6 Apr 94 pp 1, 46

[Report by Roberto Gonzalez Amador]

[Text] The political atmosphere and a significant increase in the U.S. interest rate in the last six days of financial activities led to the transfer of $3 billion of Mexican deposits to foreign markets. According to the Mexican Association of Currency Exchange Agents (AMCC) [Asociacion Mexicana de Casas de Cambio], as of Tuesday, however, "the tendency has decreased."

The AMCC, which comprises 39 currency exchange corporations nationwide, indicated that the Mexican currency floated close to the upper limits established by the eighth session of the Stability, Competitiveness, and Employment Pact (PECE). The association added that the Bank of Mexico poured about $3 billion of its international reserves into the exchange market during the six days following the death of Luis Donaldo Colosio. This was to respond to the demand for U.S. currency and prevent a sharp depreciation of the new peso.

The Central Bank did not confirm its participation in the exchange market activities. Nevertheless, the $3 billion that it reportedly contributed to defending the new peso represented 11 percent of the total amount of international currency reserves the country held in December.

"There is no doubt," according to the AMCC, that the Bank of Mexico did in fact intervene in the exchange market to meet the demand for U.S. dollars. Analysts accredit the demand to spring vacations, the increase in U.S. interest rates, a general downward trend in leading stocks, and the air of uncertainty in Mexico generated by events in noneconomic sectors.

The AMCC said that as of 25 March, the Central Bank has sold treasury bonds worth $2 billion. This helped prevent, "to a certain extent," a sudden fall in Mexico's currency. By covering the currency exchange demand, said the AMCC, the local monetary authorities strengthened the new peso. The $6 billion lifeline offered by the U.S. Treasury also contributed to the stabilization efforts.

The exchange market was quiet again, yesterday, as no major operations were recorded. The new peso did

remain near the upper flotation limits, though. If it should surpass this ceiling, the Bank of Mexico will intervene immediately to stabilize the exchange rate. The AMCC reported that there was very little activity in the 48-hour dollar market yesterday, with no large deposits or withdrawals registered. There was some demand for the new peso in the currency exchange markets yesterday, where it closed at a 3.35-new-pesos purchase value and 3.36-new-pesos turnover to the dollar. The group believes that the exchange markets will stabilize again sometime between now and Friday, and the daily decline rate will return to the usual 0.0004 new pesos, as established by the PECE.

AMCC reports indicate that the sale of dollars on Tuesday was lower than the previous days. They do point out, however, that it is not recommended forecasting any type of activity regarding the transfer of currency abroad. The association said that the $3 billion that left the country did so almost "all at the same time," within the few days following the murder of the PRI [Institutional Revolutionary Party] presidential candidate. "The highest amounts were transferred abroad on 25 March," and since that date "the trend has been downward."

The exchange agents said that the amount of dollars leaving the country has not been sufficient to jeopardize the Bank of Mexico international currency reserves, which total a considerable amount—a little more than $29 billion. They also pointed out that they are sure there will be no sudden devaluation.

One factor that promoted the transfers is the recent increase in U.S. interest rate. Once the 30-year treasury bond reached 7.44 percent, however, it was believed that yields had reached their ceiling. Therefore, stability is expected to return the financial markets in the coming days.

Peasant Groups Support PRI's Zedillo

PA1004135494 Mexico City XEW Television Network in Spanish 0430 GMT 7 Apr 94

[From the "24 Hours" newscast]

[Text] Mr. Ernesto Zedillo Ponce de Leon, the presidential candidate for the PRI [Institutional Revolutionary Party], said before autonomous PRI peasant organizations that he is committed to eliminating bureaucratic pitfalls that have hindered the development of Mexican agriculture.

[Begin Zedillo recording] We also have to work for the productive recovery of the countryside; this is very urgent. For many years, Mexico's farmlands have been either at a standstill or have been growing at a very gradual rate. [end recording]

The PRI candidate promised to break the vicious circle that has kept 18 million of the nation's 23 million peasants in poverty. To do this, he promised a very vigorous social policy.

[Begin Zedillo recording] My pledge is to eliminate all of those obstacles that have limited agriculture's productive potential. We must specifically attack the severe bureaucratic problem that still afflicts Mexican farming. If there is a single victim of centralism in Mexico, it is the Mexican peasant. [end recording]

Peasant leaders who spoke with the PRI candidate were Alfonso Garzon Santibanez from the Independent Peasants Central Organization, Aquiles Cordoba from the Peasant Torch [Antorcha Campesina], Humberto Serrano from the Mexican Agrarian Council, Hugo Andres Arauco of the National Peasant Confederation, Jose Luis Gonzalez of the General Union of Workers and Peasants of the Mexican State, and Guadalupe Martinez Cruz of the National Council of Tenant Farmer and Peasant Associations [Consejo Nacional de Sociedades y Uniones Campesinas de Colonos]. All of them voiced support for the PRI presidential candidate.

Salinas Meets With Governors, Cabinet Members

PA0804231394 Mexico City XEW Television Network in Spanish 0430 GMT 8 Apr 94

[From the "24 Hours" newscast]

[Text] The 31 governors and cabinet members met with President Carlos Salinas de Gortari in Los Pinos today. The Presidency Press Office said that the purpose of the meeting was to analyze and evaluate priority projects to be implemented this year.

Unusual movement has been noticed in Los Pinos since 1800. Governors arrived practically at the same time, which caused a traffic congestion. Some of the secretaries of state had to walk to the entrance of the Presidency.

The Presidency Press Office did not say if the meeting was included on the president's agenda. A bulletin was issued later, in which some of the topics discussed were mentioned. According to the Media Directorate, Government Secretary Jorge Carpizo talked about the electoral reforms for the 21 August elections; the finance secretary presented a report on the country's current economic situation; the secretary of commerce mentioned a price reduction on some staple products; Secretary of Social Development Carlos Rojas discussed social matters; Secretary of Agriculture and Hydraulic Resources Carlos Hank Gonzalez reported on checks delivered to peasants; and Secretary of Labor Arsenio Farell mentioned aspects of a training program he is currently implementing.

Governors left the Los Pinos official residence at 2100, while the secretaries of state stayed behind. None made any statements to the media.

OECD Membership Prompts Economic Adjustments

PA0804171394 Mexico City LA JORNADA in Spanish 4 Apr 94 p 27

[Report on interview with Daniel Dultzin Dubin, director general of the multilateral negotiations in the Mexican Foreign Relations Secretariat, by Jesus Aranda; place and date not given—all quotation marks as published]

[Text] Daniel Dultzin Dubin, director general of multilateral negotiations in the Foreign Relations Secretariat, has said that in the wake of Mexico's entry into the OECD, the country will now have to make adjustments in several fundamental economic areas.

According to Dultzin, included among the areas in which Mexico is willing to make midterm and long-term adjustments is maritime transportation. He also noted that, in general, all environmental agreements are being carried out.

Modifications will have to be made in 38 economic areas, including capital goods, services, environment, foreign investments, multinational corporations, consumer protection programs, agriculture, nuclear energy, and tourism. Other areas that will need to undergo adjustment include financial markets, fiscal issues, trade, employment and social issues, insurance, scientific and technological policies, computer technology, data processing and communications policies, development assistance, and others.

Dultzin also mentioned areas such as education, in addition to specific naval construction and steel agreements.

Although adopted agreements affect all of these areas, the energy sector will not be affected because "we decided not to participate in this area, and also, we did not participate in developmental assistance or in independent agreements on exports."

Other agreements are aimed at creating a more prosperous, stable Mexican economy that will raise the people's standard of living and increase employment, and all of these agreements "are designed to improve the Mexican economy."

Daniel Dultzin explained that the adjustments really have nothing to do with trade: "There is a Trade Committee that thoroughly reviews international trade policies. If the OECD's mission is to safeguard a multilateral trade system, they can rely on the Uruguay Round of the GATT negotiations. This, however, has nothing to do with the required adjustments on issues such as trade deregulation or the granting of preferences.

"We are not about to lose our status as a developing country; our admittance into the OECD does not connote this. This is something completely different; we are not going to lose this status."

The SRE [Foreign Relations Secretariat] official explained: "We have lost our concessional credits [creditos concesionales] because our per capita income has surpassed the fixed $2,300 amount, and also because of the overall income level. In terms of increases in our level of income, we will be losing some of the advantages that come with being a poor country, or one in development." At any rate, this will not take place just because we are an OECD member.

On the contrary, the Basel Agreements between all of the central banks imply government credits are rated as zero risk for all OECD members. They fell from 100 to zero, but for the commercial banks they will fall to 20. In other words, it is expected that there will be an impact on the cost of what is paid in premium for the credits Mexico acquires.

[Aranda] What can we expect from our admittance to the OECD?

[Dultzin] What we can expect is, first of all, to be completely involved in all discussions of the more than 200 working groups and committees. Mexican officials will be receiveing training in every area of government. The OECD covers all areas of government except security, sports, and culture.

In addition there will be "improved training and increased coordination of programs in the interior, and, therefore, we will be better informed, which in turn will allow us to better apply new policies."

"We are gradually committing ourselves to offer nondiscriminatory, fair treatment as long as economic conditions in Mexico and the legal structure allow this. However, we also expect to guarantee these liberties to all Mexicans living in other countries. It is vital that the Mexican economy is capable of globalizing. Of course, all of this depends on what we might do."

[Aranda] Up until 31 December, there was a certain perception of Mexico abroad. Considering Colosio's murder, what support can the OECD provide Mexico?

[Dultzin] All of the governments are well aware of the problems we have had. They have decided not to modify the discussions or the manner in which these are being carried out. Our internal problems are our problems, and it is up to us to resolve them. They have accepted us as a mature [maduro] country confronting problems related to growing up. Maybe it is a transition in our development process. We are being accepted as a mature country by other mature countries.

"It will be up to us to resolve our problems as best we can. However, the other nations are there, not so much to tell us what to do, but to offer support and guidance, as well as to help as much as possible because many of them have similar problems."

[Aranda] The member-states have a democratic culture. Was there any problem when you adopted the decision concerning Mexico's admission?

[Dultzin] There are principles; these include a basic philosophy, market economies, and economies that date back hundreds of years. The relationship between states and markets is very old. Democracy and respect for human rights are very old principles and, obviously, they are essential to those countries and to us, too. Within the OECD, there are various cases in which various countries have faced very difficult political situations.

"Mexico's pledge basically deals with human rights, democracy, and a market economy that improves the people's overall lifestyle and will become increasingly prosperous. These are the principles we share. They do not touch on political issues; they deal with other topics—in depth and vigorously.

Daniel Dultzin Dublin said Mexico's pledge is to strive for a better trained work force; a better adaptation of the labor market to the need for more industrial services, greater competitiveness, and productivity; and to include the working class in the overall marketplace with a better lifestyle and training.

[Aranda] The country faces uncertain times. What does the admission to the OECD represent?

[Dultzin] Admission was scheduled for 24 March; the date was established so the OECD Council could adopt a decision. It adopted the decision despite all of the events that have recently occurred in Mexico. The council was fully aware that its decision was coming within a new context, but it nevertheless adopted the decision as scheduled. The confirmation and acceptance were planned for 14 April.

"It is an element of all of these countries' great confidence in Mexico, in its institutions, in the maturity of its society, and in Mexican society's ability to face these problems and overcome them. This can result in specific and mutual benefits, and the OECD countries will be more aware of the problems that afflict developing nations such as ours."

The director general of multilateral negotiations in the SRE says OECD countries know what conditions prevail in Mexico: "They know perfectly well how revenues are distributed and that we are 5 percent above the median for the population with the highest income—a level in which Mexico is above the median for industrialized countries. Some 20 percent of the low-income population is way below the median for industrialized countries. The general trend is for greater overall productivity and a better distribution of wages."

Moveover, "very specialized work is being carried out on regional development and rural development, which will give us the experience to attack the poverty problem."

[Aranda] What topics interest Mexico the most as an OECD member?

[Dultzin] There is one critical issue. In order to ensure that economic development will be sustainable in the long run in Mexico, higher growth levels must be compatible with reduced inflation, price stability, and a sustainable external deficit.

"Also, everything dealing with the development of small and medium-sized enterprises, their problems, and international production tasks." [sentence as published] In addition, Mexico is interested in "doing everything possible to incorporate an underground economy, and this must be increasingly strengthened through production chains, large companies, and large distribution chains or their international counterparts, because this will help us a great deal."

The official emphasizes it is essential for Mexico to have much more access to international markets. "If this does not happen, we will be inhibited in our development; we will not be able to develop the Mexican economy's potential, which could be around 5, 6, or 7 percent, and we will not be able to achieve an in-depth solution to the problem of increasing our participation in international markets with Mexican assets, services, and experience. Mexican products are competitive, and they have a market.

"It is an enormous challenge, but there are many topics within the OECD that can help promote Mexico."

[Aranda] What other topics are important for Mexico?

[Dultzin] The basic problems that afflict large cities—pollution, development, and urban planning—as well as similar problems dealing with regional development, more successful agricultural policies, and assistance for the peasants. We can find many areas in which we can improve our economy.

[Arenda] We have joined the APEC [Asia-Pacific Economic Cooperation] organization, NAFTA, and the OECD. What next?

[Dultzin] Our admission does not guarantee we will fare better. Mexico has maturity, knowledge, and experience that are of interest to industrialized countries, as well as to East European countries, where Mexico's experience may be of great interest—both our achievements and our backwardness, and what we do with them—and we can benefit from this. Mexico has made a name for itself in the world community because it has something to say, and it is capable of absorbing the experience of others for its own benefit.

Costa Rica

President-Elect Emphasizes Integration

PA0904033694 Paris AFP in Spanish 0956 GMT 7 Apr 94

[Report by Jorge Araya]

[Text] San Jose, 7 Apr (AFP)—According to several government officials, following the signing of a free trade agreement with Mexico in Mexico City on Tuesday, 5 April, Costa Rica's priority is to become part of NAFTA before the rest of Central America.

Officials in both governments said that after three years of negotiations, Mexico and Costa Rica signed the "most advanced" commercial treaty in Latin America. The treaty will go into effect on 1 January, after it is ratified by both legislatures.

Costa Rican President-elect Jose Maria Figueres, a social democrat who will assume office on 8 May, noted that trade negotiations will be a priority for his administration in an effort to put his country on the political map of nations advancing toward regional integration.

The future president stressed the need to train experienced negotiators so they can make the best of the difficult trade negotiations ahead, particularly with a view to joining NAFTA, formed by Mexico, the United States, and Canada on 1 January.

Foreign Trade Minister Roberto Rojas, who has been responsible for trade negotiations so far, said that the agreement with Mexico puts Costa Rica in a "privileged" position for its integration into NAFTA.

"We would have liked to have signed a similar agreement with the rest of Central America, but that has been more difficult," the minister told a group of reporters. He added that before such an agreement can be signed, "the right internal, economic, and institutional conditions must exist, and Costa Rica found them" in the negotiations with Mexico.

According to Rojas, it would take approximately 10 years to join NAFTA if the negotiations were carried out in concert with the other Central American nations, and he predicted that it will take two years for Costa Rica to sign a free trade agreement with the rest of Central America.

The treaty with Mexico gives Costa Rica access to a market 30 times larger than the Costa Rican market. Business associations and government officials expect a significant boost in foreign investment and commercial trade, which currently represents a deficit for Costa Rica.

In 1993, Costa Rica exported approximately $60 million and imported $150 million, mostly in oil purchases, from Mexico.

Salvadoran President Alfredo Cristiani said on Wednesday that it was "excellent" that Costa Rica had signed the agreement because it can serve as an example for the other countries in the region, which are currently in preliminary negotiations with Mexico.

Guatemala, El Salvador, Honduras, and Nicaragua form the Central America 4 (CA-4) group, which must set a date in the next few weeks for the next summit of heads of state to discuss the continuation of trade talks with Mexico.

These countries agreed on the joint negotiation of a free trade agreement with Mexico. Efforts in this direction have also been made in Nicaragua, where authorities have expressed their desire to sign the agreement this year.

The subject was included on President Violeta Chamorro's agenda during her official visit to Mexico, which concluded on Wednesday. Nicaragua maintains modest trade with Mexico and owes that nation nearly $1 billion, half of which is for oil imports.

Businessmen, Workers React to Mexican Treaty

PA0804211594 Panama City ACAN in Spanish 2024 GMT 6 Apr 94

[Text] San Jose, 6 Apr (ACAN-EFE)—While Costa Rican businessmen and government considered the signing of the Free Trade Agreement (TLC) with Mexico a landmark in Costa Rican history, union leaders expressed great reservations about this economic opening and the consequences it will have for the country.

The signing of the TLC by Presidents Rafael Angel Calderon (Costa Rica) and Carlos Salinas de Gortari (Mexico) in Mexico City yesterday, Tuesday, was given wide coverage by the Costa Rican media. A television station even broadcast the event live.

Costa Rican businessmen and government officials estimate that with the TLC, which has to be ratified by the parliaments in both countries, exports to Mexico should go from $60 million to $250 million in the next five years. This would make Mexico Costa Rica's fourth commercial partner, after the United States, the European Union, and Central America.

In its editorial today, LA NACION newspaper pointed out that the signing of the TLC, considered to be one of the most advanced of the ones signed in Latin America, "gives a greater momentum to a new era of commercial opening," whose commercial benefits "are as great as the challenges it poses." After highlighting the benefits the TLC can bring to the country, offering a market of more than 85 million people to the Costa Rican producers, the newspaper warned, however, that "one cannot rest on one's laurels because the challenges imposed by this new reality are many." "More than ever before, it is necessary to expand the economic modernization program," the newspaper appraised. LA NACION published a big

photograph of Calderon and Salinas signing the agreement in its front page, two pages with information related to the TLC, and one with the Costa Rican president's speech.

The LA REPUBLICA newspaper, for its part, gave less coverage to this story and published a small photo of Calderon and Salinas de Gortari in its first page and highlighted that the signing of the TLC opens a ""new era in the relations between Costa Rica and Mexico." Costa Rican business sectors are focusing on the possibility of developing joint investments, starting next January, when the TLC, which will regulate the trade in approximately 12,000 products, will go into effect.

Carlos Alvarado, the Costa Rican Chamber of Commerce president, announced that this same week, Costa Rican businessmen will start to make contacts in order to attract financial investments.

Chamber of Industries President Samuel Yankelewitz said the TLC "includes all the elements for things to go well" and considered it was "just and balanced" for both nations.

Doris Osterlof, the executive director of the Export Chamber, asserted: "Our industry is prepared" to compete with the Mexicans.

However, Albino Vargas, secretary general of the National Association of Public Employees (ANEP,) questioned the Treaty because the labor sector had not participated in the three years of negotiations and also because the TLC does not state clearly the workers' benefits.

Another union leader, Guillermo Garcia, told ACAN-EFE the TLC will benefit the country's development but said unions had reservations about the new economic model (the commercial opening) and the consequences it can have.

Garcia added that the Costa Rican Government will have to abrogate protection measures for workers and labor organizations because of the pressures the economic opening will have on Costa Rican society.

The experience of the decades between the 1960's and the 1980's, Garcia underscored, left a negative balance because "we were asked for sacrifice in exchange for future economic bonanza and the economic models that were implemented prompted a larger social gap and an unfair distribution of the benefits resulting from production."

Public Participation in Loan Market Drops

PA0704222494

[Editorial Report] San Jose LA REPUBLICA in Spanish on 24 March on page 12A reports that public sector participation in the loan market dropped from 43 percent to 20 percent during 1993, leaving the other 80 percent to the private sector. Jorge Corrales, president of the Central Bank of Costa Rica, reported that services received the larger portion of the funds, thus showing a decrease in primary and secondary activities. He explained that this behavior is consistent with current economic trends, where services tend to show the greatest movement.

El Salvador

Onusal Director on Human Rights, Peace Accords

PA1204004094 San Salvador DIARIO LATINO in Spanish 7 Apr 94 p 3

[Text] Enrique Ters Hors, the new director of the UN Observers for El Salvador [Onusal], said yesterday that if he had to give a diplomatic opinion about the state of Salvadoran human rights, he would have to say it could use improvement. There is still a long way to go before we can say there is a full respect for human rights in the country.

Ters Hors, who met with Human Rights Ombudsman Carlos Mauricio Molina Fonseca, said there is concern at the United Nations about the visible delays in the deployment of the National Civilian Police [PNC], land issues, and constitutional reform. These reforms should be approved by 30 April at the latest by all of the political parties represented at the Legislative Assembly.

He said that each of the items included in a letter by UN Secretary General Butrus Butrus-Ghali expresses concern about the current state and progress of the peace agreements due to the Salvadoran Government's delay. The letter addresses issues from land transfers to the PNC's training and deployment.

The international official said "it is important for all of the peace agreements to be fulfilled, but it is also important that they be properly fulfilled. Sometimes haste affects the quality of fulfillment."

He added that the more important issues listed in the secretary general's letter demonstrate that there is in fact concern about the delays in the agreement, which is why Butrus-Ghali found it appropriate to bring them before the Security Council.

President Cristiani recognized yesterday there are certain delays regarding the PNC, land transfers, and constitutional reform. He said this was not due to a lack of political resolve on the part of his government but, rather, due to delays in receiving international aid and the Farabundo Marti National Liberation Front, which did not want to meet with the government to try and find a solution to the problems.

Ters Hors said he feels optimistic, because the president has publicly expressed his will to accelerate completion of the pending issues. He said that he personally knows President Cristiani has given his minister instructions, thus demonstrating the government's will to begin working.

The Onusal director said he believes several programs designed to strengthen human rights in El Salvador will go into effect in July with coordination by Human Rights Ombudsman Molina.

Article Views Runoff, Decries Electoral Tribunal

PA1004125594 San Salvador DIARIO LATINO in Spanish 8 Apr 94 p 13

[Unattributed article]

[Text] Following the Easter holiday and without yet knowing the definitive outcome to the elections, ARENA [Nationalist Republican Alliance] and the coalition have already begun campaigning for the runoff elections. Both assume this will take place on 24 April, even though the Supreme Electoral Tribunal [TSE] has not been able to officially decree the date of the runoff.

Despite heavy technological investment in the TSE, after two weeks, the country still does not know the official outcome of the elections. It had been pompously announced that the results would be available just hours after polling places closed, but the TSE was not even able to supply overall preliminary figures. A lack of openness, impartiality, and effectiveness on 20 March hindered the vote count. The same structural deficiencies have caused the opposition to report fraudulent acts and challenge the election results in 44 municipalities. Nevertheless, the most probable outcome will be that the TSE will dismiss these reports to end, as soon as possible, an electoral process that got out of control. The vote count in these elections has not been much different from those in previous elections.

ARENA would like to avoid a runoff, because a first-round victory would make the outcome indisputable and give ARENA a pretext to continue ruling as if it has the complete support of El Salvador's citizens. The truth of the matter, however, is that ARENA only received 25 percent of the vote from those citizens registered. ARENA's untamed ambition for power led it to commit illegitimate acts on 20 March—acts whose limits are still unknown. If these acts were a determining factor in the final results, ARENA will have to repeat them with the serious risk of getting caught.

On the other hand, the coalition is ready for the runoff elections, because it believes that the people's vote is a commitment that cannot and should not be negotiated with the ruling party, and because it wants to show its ability to provide strong opposition in light of the fact that it will be very difficult to win the runoff. The coalition's task is not at all easy. The Christian Democrats, who were divided among those who would like to support ARENA and the coalition, decided not to support either. The small parties also do not appear willing to back the coalition directly.

Even though the immediate electoral outlook does not favor the coalition, the runoff election could be an important contribution to the nation's democratic future, especially if one seriously considers the need to totally reform the electoral system after 24 April. Moreover, such a reform process should begin immediately and, in turn, remedy the most easily correctable anomalies in the little time remaining before the runoff elections. Unfortunately, for the time being, it is practically impossible to correct the most serious anomalies. The runoff elections provide a new opportunity to move ahead toward the democratization of the country, but for this to take place, the electoral event has to be radically transformed.

Christian Democratic Party Uncommitted in Election

PA0904005694 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Apr 94

[Report by Ghandi Montoya for the "Up-to-Date" newscast]

[Text] According to an article published by a local newspaper on 7 April, Orlando Arevalo, a Christian Democratic Party [PDC] deputy, said that he, as a peasant leader, will support ARENA [Nationalist Republican Alliance] in the 24 April runoff elections. The PDC leadership, however, believes Arevalo spoke on behalf of the party and thus has reiterated its position on the upcoming presidential runoff elections.

[Begin unidentified speaker recording] We have not committed our votes to Armando Calderon Sol or to Ruben Zamora. We have said that rank and file party members are free to vote for whomever they choose. Any view expressed by a member of the party must be interpreted as his personal views. [end recording]

Despite this statement, and even though the newspaper that carried Arevalo's statements said he spoke on behalf of the peasant union he represents, his deputy colleagues believe he disregarded the party statutes.

[Begin unidentified speaker recording] The party statutes state that party members who express to opposition parties, on television or radio programs, or to the press positions that are contrary to the party's political policy will be subject to expulsion or suspension. This man has done just that. [end recording]

The PDC, as well as other parties that did not get a majority of votes during the 20 March elections, have said that their rank and file will be free to vote for the candidate of their choice during the 24 April runoff election.

Guatemala

Daughter of U.S. Businessman Reportedly Kidnapped

PA1104201094 Paris AFP in Spanish 1912 GMT 11 Apr 94

[Text] Guatemala City, 11 Apr (AFP)—A girl of U.S. nationality was kidnapped today as she was on her way

to school. Despite the silence of authorities and the school, diplomatic sources learned that the girl's father is a businessman.

Sources from the Attorney General's Office who spoke with AFP and asked to remained anonymous identified the girl as seven-year-old Georgina Rosse Robyn, the daughter of a U.S. businessman who exports nontraditional products in Guatemala.

According to this report, the girl was abducted by unidentified persons shortly after leaving her home in a residential neighborhood in southern Guatemala City.

Thus far, both the U.S. Embassy and the principal's office of Maya School, which the girl attends, have remained silent and have neither confirmed nor denied the news, which was also disclosed by Police sources.

Two weeks ago the U.S. Embassy in Guatemala warned U.S. citizens of future attacks in retaliation for the presumed abduction of Guatemalan children by U.S. citizens.

Recently an Alaskan photographer was accused of abducting children and was attacked by a mob in a rural town. The individual was hospitalized in serious condition.

Government Minister Speaks on Security

PA0904152194 Guatemala City Teleonce Television in Spanish 1900 GMT 8 Apr 94

[Speech by Government Minister Danilo Parinello to the Congress of the Republic in Guatemala City on 8 April; broadcast in progress—recorded]

[Text] ...my endeavors at the Government Ministry during this difficult time, in an attempt to maintain the democratic process which, with the help of many Guatemalans—as I have already said—we initiated more than 10 years ago.

I cannot say anything more than we are still consolidating the organization of the Government Ministry which I head and its many departments. Working with me is Deputy Government Minister (?Erwin Quesada) who was sworn in just 48 hours ago. I am not trying to make excuses or rationalizations; I am just pointing out the facts.

I am grateful, therefore, to the honorable Congress of the Republic for this opportunity to explain to the Guatemalan community how we are dealing with these problems that are fostering anxiety, and, moreover, to inform the people of the mechanisms through which the ministry will establish increased security in the short-term, restore the people's confidence and safety, allow them to live their lives normally, and counteract the people's lack of confidence in those officials who have failed to do their jobs.

1. After 17 straight days of continuous work or 12 working days, the Government Ministry's employees have assessed the country's security situation as critical. I repeat, the situation is critical, because it affects all sectors equally. It is critical because many cases of individual and collective violence are being reported throughout Guatemalan territory for a variety of reasons. This violence completely undermines the legal framework that is the foundation of the de jure state.

If you carefully examine these circumstances, you will discover two relevant facts—a shortage of funds and a lack of justice because of the strike by certain members of the bureaucracy who work for the security services. You will also notice there is a shortage of equipment primarily due to a lack of maintenance, and you will also see that the population is rightfully demanding an end to social confrontation and violence, while calling for true security that will improve life in Guatemala.

2. The Government Ministry, charged with providing internal security, has an insufficient budget, which has not been made effective for reasons already mentioned. The ministry's personnel are working hard but without proper training. Their morale has become weakened and jaded as the result of the distorted way in which some groups continue to deal with the value of general principles of human rights. A great deal of equipment has proved to be inadequate and obsolete.

Please let me read the assessment made by myself and Col. Merida—the other deputy minister who assumed office 17 days ago and who is with me today. This basic assessment made within the past few days, as I said, should show you what, in fact, the National Police are, and what they should be. Again, this is not the Government Ministry's sole concern, but something which, as I said a short while ago, can be viewed as a touchstone for the ministry. If the police force works—in other words, if there is security—the people tend to forget that the Government Ministry performs many other functions. Therefore, I will refer specifically to the current state of affairs within the National Police.

Following a detailed review of all procedures, functions, members, equipment, and support, we wish to report on the current status of the National Police.

A. Organization. The current organization of the National Police includes a number of departments and agencies that are broken down as follows:

Directorate. The General Directorate is in charge of outlining policies and delegating responsibilities to all of the National Police's administrative agencies. This includes the director general and all of the organization's personnel.

Currently, the Directorate is headed by Salvador Figueroa, an experienced lawyer. It is necessary to give you this explanation, because even historically the government minister is believed to be a [words indistinct] minister. You must remember, however, that procedures, instructions, reports, and [words indistinct] must be directed to the National Police Directorate. Of course, there is a

deputy director, who is in charge of implementing all guidelines issued by the director. This position is held by Armando Orellana Flor, a systems engineer. The inspector general is the third in command. He is in charge of controlling and ensuring that the deputy director's guidelines are met. The person in charge of this is Inspector General Roberto Marroquin Rivas, a professional soldier. It is also necessary to point out that the police have a Joint Operations Center that is in charge of coordinating the activities of all agencies. It has a headquarters, a statistics section, a communications section, and a section.... [recording ends in mid-sentence]

Defense Minister on Violence, Human Rights

PA0904134994 Guatemala City Teleonce Television in Spanish 1900 GMT 8 Apr 94

[Report on interview with Defense Minister Mario Henriquez by unidentified reporters in Guatemala City on 8 April; from the "Telepress" newscast]

[Text] Government Minister Danilo Parinello and Defense Minister Mario Henriquez arrived at Congress today after being summoned to report on measures adopted by their offices to confront increased violence in Guatemala. Before appearing before the plenary session, General Henriquez spoke to reporters about the congressional initiative to ask the United Nations to appoint a special rapporteur for our country.

[Begin recording] [Henriquez] The legislative branch has the right to make such a decision.

[Reporter] Do you think it could negatively affect Guatemala?

[Henriquez] If it was made by all of the deputies, I will respect the congressional decision to request a rapporteur. I believe Congress has the authority to do this.

[Reporter] Do you think the presence of a rapporteur is unnecessary?

[Henriquez] I believe the presence of a rapporteur is unnecessary, because we have already signed a human rights agreement, and, perhaps—I do not know for certain—approximately 100-150 UN representatives will come here to review the human rights situation.

[Reporter] Could the congressional measure sway the peace agreement [words indistinct]?

[Henriquez] I do not think so, because, as I have said, we already have expert advisers on human rights, a human rights ombudsman, a Human Rights Commission in Congress, Cofrere [expansion unknown], and Dona Monica Pinto [not further identified]. We have everything we need, and, to comply with the general human rights agreement, many more people are going to come here. Therefore, one more rapporteur does not mean a thing.

[Reporter] However, the human rights ombudsman has stated that his resolutions are not being accepted by several organizations, including the government and [words indistinct].

[Henriquez] I believe the resolutions issued by the Human Rights Ombudsman's Office or the ombudsman himself are accepted and mean a great deal. I have received several resolutions or admonishments [words indistinct]. [laughs] They were resolutions to censure, for example, the recruitment of a minor. I, of course, respected the resolution. I am talking about my personal experience. It was an admonishment. The resolutions move your conscience, and they must be respected.

[Reporter] Could the presence of a special human rights rapporteur in Guatemala corroborate the international petition to dissolve the Civilian Self-Defense Patrols? Would the Army be willing to dissolve the patrols if a rapporteur specifically requested this?

[Henriquez] One thing has absolutely nothing to do with the other. It is not the Army's responsibility to dissolve the Civilian Self-Defense Patrols. The government of the Republic has to do this. However, this issue has already been outlined in the agreement with the URNG [Guatemalan National Revolutionary Unity]. The agreement clearly states that voluntary civilian defense committees will remain in place until the guerrillas disappear. Furthermore, the recommendation made by the 50th Human Rights Conference in Geneva was that the government should start demobilizing the voluntary civilian defense committees in those areas where guerrillas are no longer present. We will start doing this on 30 June.

[Reporter] My next question refers to the investigations into the case of Dr. Obdulio Chinchilla. He says he told you he had received death threats. What can you say about this?

[Henriquez] I am going to talk about this issue in a few minutes. I can tell you right now, however, that he did not talk to me. I thank God that he is alive, and I hope there never is another attack against Deputy Chinchilla Vega. Nevertheless, he did not talk to me at the time. He talked to the head of the ministerial command staff, and I am sure he will confirm this later.

[Reporter] [words indistinct] you made investigations?

[Henriquez] We paid a lot of attention to these charges. For example, Father Giron [not further identified] called me yesterday to say he was being threatened. I immediately offered him security and provided security to him. Chief Justice Juan Jose Rodil Peralta also told me he had been threatened, and I sent him security personnel the same day. It seems a wave of terror has started, and we have to stop it because it is time Guatemala [words indistinct].

[Reporter] [question indistinct]

[Henriquez] In general, there is security for people because it is the government's job to provide security

and to assure the people. However, the most likely targets are top-ranking officials, politicians, and military officers. On an individual basis, they have to be more careful, and the government must provide these people with more security.

[Reporter] Mr. Minister, the possibility that a soldier might be implicated in the attack against Deputy Duilio Chinchilla Vega was mentioned by Deputy Chinchilla Vega himself days before the attack. At the same time, he said...

[Henriquez, interrupting] He spoke with that soldier. He received an anonymous note, and he spoke with that officer. That officer is with me now.

[Reporter] [words indistinct]

[Henriquez] That is what we are going to discuss now. Colonel Fernandez Ligorria was mentioned. He is none other than the chief of the ministerial staff. Deputy Chinchilla Vega met with him, not with me. They discussed the matter, he was offered security, and so on, and so on, and he left without a fuss.

[Reporter] What do you think should be done to counter the current wave of violence? Some areas are under a state of emergency. What actions do you recommend?

[Henriquez] I believe some measures should be implemented. This is precisely what will be done, following instructions from the president of the Republic, and it will be done without having to implement a state of emergency in accordance with the five cases mentioned in the Constitution. We hope that the press and all Guatemalans will take note of this. The measures will be announced soon, no later than next week. The government minister has only been in his post for 17 or 18 days, but he has been working on this in coordination with the Guatemalan Army.

[Reporter] What will those measures be?

[Henriquez] We prefer not to disclose them yet, because if there are 30 [words indistinct], many criminals, and terrorists. Why should we alert them? There are about 500 car thieves. We must be cautious when we talk about such things. Some degree of secrecy is necessary in certain cases to achieve our objective—namely, guaranteeing the personal safety of civilians, peace, and harmony.

I am very pleased to know that state employees have lifted their strike and that an agreement has been reached. This means the situation will soon return to normal.

I wish Congress and the judicial branch could work in harmony for the benefit of all Guatemalans. I would like to see the press comply with its sacred duty of reporting objectively and truthfully. Guatemala would be a beautiful country, right?

[Reporter] Mr. Minister, former President Vinicio Cerezo has said former soldiers were implicated in the current wave of violence that is creating a nationwide crisis. Although he did not mention names, there are rumors that those involved could be Colonel Menardo Perussina and others who retired from the Army.

[Henriquez] I would not dare mention any names. I know all of them, and, frankly, I believe it is very unlikely that a retired officer would engage in destabilizing activities. In addition, the Army has its own means of information. It has intelligence and counterintelligence services to detect such actions. If any of these men were involved in any wrongdoing, we would likely already know about it, and certainly the defense minister would have called them in and reprimanded them.

If it is confirmed that they are involved, they will be tried and punished according to the law. However, I do not think this is the case. I read about former President Cerezo Arevalo's statement. He said some civilians and retired officers could be trying to destabilize the country to promote a coup. He was probably referring to those who destabilized his government. There are many rumors and a great deal of speculation. I would like this to stop in Guatemala, because sometimes friendships are lost because of such rumors. This should not happen.

[Reporter] Mr. Minister, you just said the Army has its own intelligence and counterintelligence services. Why then have the murderers of Jorge Carpio and those responsible for other attacks, as well as those individuals behind the nationwide wave of violence, not been identified yet?

[Henriquez] That is why I said we have our intelligence agencies, but it is not easy to detect terrorists. I have also noted that even in the United States, the only superpower in the world at this time, terrorists managed to introduce large quantities of explosives into those tall buildings in New York—what are they called, the twin towers in New York?—and set off a large blast, killing people. This happened right on the noses of the FBI, the CIA, and a huge military. You see, it is not that easy. For example, we would like to find out right now who killed Epaminondas or who attacked Chinchilla Vega and announce to the press: Gentlemen, this person did it. I would like to do that, but sometimes I feel helpless.

[Reporter] Are there any clues?

[Second reporter] It has been reported that someone was arrested in connection with Epaminonda's murder.

[Henriquez] I have no knowledge of that. What I know is that the technical investigations are ongoing and that there is a good chance of arresting the murderer. [end recording]

URNG Willing To Hold Peace Talks in Norway

PA1104174494 Mexico City NOTIMEX in Spanish 0056 GMT 10 Apr 94

[Text] Mexico City, 9 Apr (NOTIMEX)—The rebel Guatemalan National Revolutionary Unity (URNG) today said it has no objections to meeting the Guatemalan Government negotiating commission in Oslo, Norway in May. Luis Becker of the URNG Political-Diplomatic Commission confirmed that government and guerrilla delegations are studying the Norwegian Government's invitation to meet in that European nation.

Norwegian Deputy Foreign Minister Jan Egelan said yesterday that the two parties would meet under UN mediation at a residence in the forest near Oslo, the same site where Palestinians and Israelis met secretly in 1993.

"In principle, the URNG does not have any objections to meeting in Oslo at the invitation of the Norwegian Government," Becker stated.

According to the Norwegian deputy foreign minister, the purpose of the round of talks in Norway would be to discuss the mechanisms for forming the so-called Truth Commission.

On another topic, the guerrillas accused Guatemalan soldiers of killing a peasant in a village in Peten Department in northern Guatemala. They said the man was killed in the presence of townspeople, whom the soldiers threatened to kill if they cooperated with the URNG. In a communique issued in Mexico City, the rebels said the crime was committed by government troops a few days after the signing of the comprehensive agreement on human rights on 29 March "to prevent the fulfillment of that agreement." The guerrillas demanded that the document signed in Mexico City be "totally honored without reservations."

"We again urge the United Nations to send a verification mission as soon as possible before the crisis of ungovernability worsens and opens the door for even more repression," the URNG stated.

There was an increase in attacks on politicians, judges, legislators, reporters, and foreigners in Guatemala last week, a situation that created a climate of violence and insecurity.

The guerrillas stated that "there is no respect for human rights and there is no justification for the reemergence of genocidal practices by the Army in our country. Guatemala needs peace and respect for human rights, especially the sacred right to life."

Guatemalan Government and URNG delegations have been negotiating since April 1991 to end an internal armed conflict, the only ongoing one in Central America. The conflict has claimed approximately 175,000 lives in 33 years.

Honduras

Man Arrested for Murder Plot Pleads Innocence

PA1004170594 Panama City ACAN in Spanish 1613 GMT 9 Apr 94

[Report by German Reyes]

[Excerpts] Tegucigalpa, 8 Apr [date as received] (ACAN-EFE)—Honduran citizen Luis Hernandez Sosa has denied being the mastermind of an alleged plot to assassinate President Carlos Roberto Reina, and he told the press: "I am innocent, and I am not an assassin."

Hernandez Sosa, 30, turned himself in on Thursday to Honduran judicial authorities through the government's Office of the National Human Rights Ombudsman. [passage omitted]

When reporters asked him about his relationship with the three Nicaraguans, Hernandez Sosa said: "I have no contact with Nicaraguans or anyone else. I only have contact with God."

President Reina described the alleged assassination plot as an act of "gangsterism and drug trafficking."

"No one has accused me. I am not an assassin, and tomorrow I will clarify everything," Hernandez Sosa said before being admitted to the Tegucigalpa Penal Center, where he was placed in a special cell under tight security by Army personnel. [passage omitted]

A presidential spokesman told ACAN-EFE, "it is absurd to think that the president could be used as a smokescreen," and he underscored that the plan "existed." The source added, "We have information that Hernandez Sosa is involved in drug trafficking, and this will allow us to clarify the situation for all of the Honduran people."

Hernandez Sosa has six days, beginning on Friday, to respond in court to the charges against him in a case in which there is joint cooperaton between Honduran and Nicaraguan authorities.

Foreign Minister on Halting Illegal Immigration

PA1104224894 Tegucigalpa LA TRIBUNA in Spanish 8 Apr 94 p 9

[Text] Foreign Minister Ernesto Paz Aguilar has announced a series of measures to prevent the illegal entry of foreigners into Honduras. These measures range from heavy sanctions against airlines that repeatedly transport them to the punishment of officials involved in the trafficking of illegal aliens.

These measures result from reports an international mafia operating from Honduras is involved in the trafficking of illegal aliens to the United States.

"The government's intention is to clean up public administration and whatever is associated with the Foreign Ministry in line with its fight against corruption in all fields," the minister has said.

According to the minister, there are names of people, including former officials, who are involved in this business. "Irregularities have been detected in the Honduran consulates in Hong Kong and Panama," the minister said.

"Both consulates are under investigation, and the responsible officials will, naturally, be punished," Paz has said.

He has said the name of a former Foreign Ministry senior officer from the previous administration was being used for illegal procedures. "The former officer is aware of this, and we are investigating the matter."

Paz has charged certain attorneys, whom he did not identify, handle the documentation of illegal aliens who arrive in the country.

On the other hand, the minister considers it unfair the United States should take steps against the new Honduran Government for cases that were not resolved during previous administrations.

Paz believes most of the claims show delays in the application of justice, "something which is linked to the general problem afflicting the Judicial Branch, which many believe should be brought up to professional standards to allow Honduras to offer legal security to foreign investors."

Meanwhile, the minister expressed pride over Honduras' diplomatic victory as a virtual nonpermanent UN member.

"This would be a resounding success for Honduran diplomacy," he expressed with satisfaction.

Immigration Director on Illegal Aliens

PA1004164594 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 7 Apr 94

[Report by Jose Orlando Sarmiento from "The Morning Paper" newscast]

[Text] Reports that say a Honduran and some Nicaraguans have threatened to attack the president are distressful, because anyone can easily enter or exit Honduras. Corrupt foreigners must be controlled. Angelina Ulloa Duarte, head of the Directorate of Population and Immigration Policy, has addressed this issue.

[Begin Ulloa recording] We believe this situation threatens national security and, therefore, also threatens our president. We are doing everything within the powers of the Directorate of Population and Immigration Policy to control the admission of certain people who are outside the law. This needs to be done in light of the easy access that vehicles and people from Central American Group of Four countries have to our country. This easy access has prompted a number of problems.

Current immigration controls are insufficient to completely control certain types of people whose behavior does not necessarily follow what is stipulated by Honduran law. We must also consider that, despite having administrative border posts, our borders are vast and include unsupervised areas of which outlaws take advantage. [end recording]

It seems there are different types of trafficking bands in our country, ranging from trafficking in drugs, stolen cars, and money laundering to gunrunning and others. All of these threaten social harmony.

[Begin Ulloa recording] We used to have gunrunning and drug trafficking in Honduras. Because we are situated in the geographic center of the American continent, we have become a conveniet place for those those people involved in a new type of crime—people smuggling. This crime yields large earnings for an international crime network.

We have information about the high cost paid by people of certain nationalities who are ineligible to emigrate to the United States. Indians, Chinese, Pakistanis, Peruvians, or Bolivians pay $15,000-$20,000 to ensure access to the United States. An international crime network is responsible for this. We are aware that, in addition to causing us problems and affecting the good relations we should maintain with other countries of the region, including the United States, this situation also encourages corruption among officials who handle documents that allow these people to move about the country freely. [end recording]

The Honduran state will have to create organizations similar to the Directorate of Population and Immigration Policy to control the admission of individuals that come here to cause problems after gaining easy access to our country.

Government Excluded From American Banana Accord

PA0804194094 Tegucigalpa LA TRIBUNA in Spanish 5 Apr 94 p 3

[Text] Rene Steichen, EU agricultural affairs commissioner, has reported Honduras was excluded from the new Latin American banana agreement, which favors only the banana exports to Europe of Colombia, Costa Rica, Nicaragua, and Venezuela.

According to the agreement, these four countries must withdraw from GATT, which rejected the quotas imposed by the EU on Latin American banana imports.

Steichen has said that Colombia, Costa Rica, Nicaragua, and Venezuela are supplying the Latin American banana amounts the EU requires.

In July of 1993 the EU imposed an annual quota of 2 million tonnes of bananas on Latin American exports to protect producers from the Canary Islands and the former European colonies in the Caribbean and Pacific regions.

It was agreed last December to increase the quota to 2.1 million tonnes as of 1 October 1994 and to 4.2 million tonnes as of 1995.

The new agreement states duties on the fruit will be reduced from 100 to 75 European Currency Units per tonne.

The quota assigned to Costa Rica amounts to 23.4 percent of the total amount imported by the EU, while Colombia will export 21 percent, Nicaragua 3 percent, and Venezuela 2 percent.

Honduras, Ecuador, Guatemala, and Panama refrained from supporting the agreement and are demanding suspension of the restrictive system.

Economic Woes Blamed on Government, Foreign Pressure

PA0804183994 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 5 Apr 94

["Economic report" by Trinidad Murillo from "The Morning Paper" newscast]

[Text] The government of the moral revolution, as Honduran President Carlos Roberto Reina has named it, is experiencing great pressure from the international financial institutions [IFI's] to reduce the budget deficit to less than 4 percent, to reorganize the economy, to stop the wave of speculation of our currency in the face of the U.S. dollar, and to put an end to the deterioration of the national economy. Many government officials regret inheriting what they believe could have been overcome by the previous government—a high budget deficit of more than 10 percent and an uncontrollable economic imbalance.

According to government officials, the country is currently facing a severe crisis. Prices cannot be stabilized, nor can economic order be maintained to avoid additional burdens on the Honduran people. A lack of decisionmaking in the face of high fuel prices has angered the people. There has been a shortage of staple products, and, worse, prices are out of reach of ordinary citizens' pocketbooks. The people are also enduring a milk shortage—a heavy blow to the children of Honduras—without any solution to this serious problem in sight.

The IFI's will continue to pressure the government to comply with its debt commitments. In order to meet this demand, the government must reduce its budget deficit and its expenses, stabilize the currency, and reduce the size of government. The IFI's are even recommending taxes, such as a sales tax of 7-10 percent.

The World Bank itself, in it latest recommendations, demands that the tax structure be simplified; that the tax base be broadened; and that existing tax exemptions, including some income tax exemptions, be reduced. More serious to consumers is that the government has been asked to eliminate subsidies that are not directed at the poorest sectors, including urban transportation subsidies, and to improve supervision of the decentralized enterprises and to revise their rates, which means higher priced public services such as electricity, water, and telephone service.

In the same way, there is a clear intention on the part of the IFI's to privatize as soon as possible Hondutel [Honduran Telecommunications Enterprise], SANAA [National Autonomous Aqueduct and Sewage Service], and ENEE [National Electric Power Company]. As a result, the people will continue to suffer through greater increases in the price of food and other household products—in other words, the price of staples.

At this moment there is a natural concern among the country's different organized sectors. These sectors already foresee a weak and wavering government, despite its promised humaneness and boasts of social liberalism. It is not easy for President Reina to carry out a definitive plan to face Honduras' economic and social problems in the first 100 days of his government. Moreover, the external pressure is so strong that the government is seen as being a (?hybrid) without a true policy of its own to confront the country's economic and social problems. In other words, nothing is getting accomplished.

The campaign promises were a good means for gaining power, but thousands of Hondurans will continue to buy more expensive food. Thousands of Hondurans will continue to pay more taxes, and thousands of Hondurans will continue to bear an increase in public service rates. The country is on the brink of economic imbalance and desperation, hoping that a governmental solution will avoid so much abuse against its citizens.

Nicaragua

Cardinal, Analyst React to Gen. Ortega's Refusal To Retire

PA1104183694 Managua LA PRENSA in Spanish 8 Apr 94 p 14

[Article by Ubeda Bravo]

[Text] Cardinal Miguel Obando y Bravo reiterated in statements this morning that Army chief Humberto Ortega is the one who has the weapons and therefore the power even though President Violeta Chamorro is commander in chief of the Armed Forces.

"It is well known that in this country, whoever has the weapons has the power. It will be hard for Ortega to leave

soon because he has the rifles," the chief of the Nicaraguan Catholic Church said after meeting with Managua Mayor Arnoldo Aleman.

Dr. Emilio Alvarez Montalvan, a prominent political analyst, labeled Humberto Ortega's statements as "praetorian" and exceeding his military duties.

"Ortega's statements are a clear praetorian sign that the Sandinist People's Army (EPS) exercises control over the civilian government," said Alvarez Montalvan.

Alvarez Montalvan said that the EPS meddles in civilian society "where it has no right to meddle."

"At this stage of the game, Humberto Ortega should be home after his 14 long years at the head of the EPS," he said.

Various social sectors have requested Ortega's retirement. Some Sandinists such as Edmundo Jarquin and Carlos Tunnerman Bernheim have said on several occasions that the high-ranking military head's retirement "would be healthy."

Guillermo Potoy said that Ortega's statements demonstrate once more that "military power prevails over civilian power."

"Humberto Ortega is another gorilla [derisive term used to describe military officers] among those that have existed in Latin America and who want to remain in power backed by weapons," Potoy commented.

According to Potoy, Ortega's continued presence as EPS chief would bring more instability to the nation.

Meanwhile, Wilfredo Navarro, president of the Independent Liberal party, told a local radio that Humberto Ortega's statements "reflect the fragility of the state of law that some are attempting to establish in Nicaragua."

Ex-Fighters Determined To Take Up Arms Again

PA1204034994 Managua LA PRENSA in Spanish 9 Apr 94 p 5

[Report by Alberto Rivera]

[Text] Jinotega—Eleven former commanders of the Democratic Forces for National Salvation [FDSN] have given this LA PRENSA correspondent a copy of a communique expressing their firm determination to take up arms again "because of the government's failure to fulfill the pledges signed in 1992," when more than 2,000 fighters were demobilized.

The former FDSN fighter's noms de guerre are: Alexis, Campeon, William, Osmar, Cain, Efrain, Luis, Venado, Conejo, Danto, and Tigre.

In the communique, the commanders address Francisco Valdivia Chavarria, known as Commander Dimas: "Mr. Francisco Valdivia Chavarria (Dimas) and staff: Prepare yourselves. Do you people think you will be allowed to keep the haciendas and vehicles you were given? No, gentlemen. Time is up. No one will stay behind. All of the 5,000 FDSN demobilized will fight for our own interests, land, and homes."

The commanders remind Dimas of his pledge to take up arms again if the agreements fail to be complied with, and they urge him to join them in the mountains, making it clear to him neither he nor the government will cheat them.

The commanders blame Violeta's government, saying: "The government will be held responsible for any rebellion in the country's north, because the government made a pledge and failed."

The commanders describe themselves as "men of peace" but warn they will not tolerate deception. Finally, they set a two-week deadline for the government to show signs of willingness to make good on its word.

Conservative Leader Views Constitutional Reform

94CA0089A Managua EL SEMANARIO in Spanish 3-9 Mar 94 pp 12, 13

[Interview with PNC [National Conservative Party] Vice President Adolfo Calero Portocarrero by Edgard Solorzano; place and date not given; first six paragraphs are EL SEMANARIO introduction]

[Text] He is the principal leader of one of the three conservative parties in Nicaragua. He defines himself as just another citizen of this land that has been traversed from one end to the other by nationalist, anti-interventionist, and frequently fratricidal wars throughout its history; in which the leaders of gangs in parallel situations have led and sometimes still lead the peasant masses into total slaughter. And there are those who say that he is not innocent in connection with all of this.

He went into exile during the period of the Sandinist revolutionary government and was a member of the leadership structure of the resistance movement. His role while abroad was above all diplomatic in nature, involving negotiations, mainly with Washington, and the solicitation of funds amounting to millions to finance the war against Nicaragua. There are also those who believe that it is not entirely clear where all of this money went.

Calero Portocarrero is a tall man with a rough voice and totally white hair. Despite his involvement in politics, and thus the recent history of the country, he has not evidenced much of the intellectual legacy of his father, the well-known writer Adolfo Calero Orozco. He was one of the precursors of the body of Nicaraguan short stories and the author of the book "Sangre Santa" ["Sacred Blood"], among others.

"I am very proud of both my father and my mother, Mrs. Maria Portocarrero," he is forthright in saying.

He began his political life in the Conservative Party. He says this affiliation is in his blood, since one of his

grandfathers, his father, and his mother were conservatives as well. After returning from Europe at the end of the last century, his maternal grandfather, Bernabe Portocarrero, became a liberal, imbued with liberal ideas.

Calero Portocarrero's first political activity was as a member of the Conservative Youth in about 1957. He recently turned 62.

[Solorzano] How would you define your political career?

[Calero Portocarrero] I have progressed in a straight line, with no inconstancy. I have always sought the achievement of freedom, democracy, and a social market economy, aware of the obligation borne by those of us who have some education to share our knowledge, ideas, ideals, and achievements with the rest of the people. I feel very profoundly Nicaraguan. This was something inculcated in me by my father.

[Solorzano] What role did you play during the Somoza era and during the decade of the Sandinist government?

[Calero Portocarrero] When I returned to Nicaragua from the United States in the 1950's, I never had a choice, in the sense that there was a dictatorship in power, and there was one opposition party—the Conservative Party. Thus I chose to be a member of the opposition from the beginning, and I continued to oppose Somoza until the dynasty came to an end. Then came the Sandinists, in whom the people of Nicaragua placed the highest hopes. But they were totally disappointed. I remained in Nicaragua in opposition to the Sandinist movement until I was refused permission to leave the country in 1982. I did leave, legally, and they then put obstacles in the way of my return in January of 1983. Given those circumstances, I had no alternative to staying abroad. I was not going to remain at their mercy. Nor did I accept the position they offered me in Ecuador, if I would forget about politics. But I did choose and agree to join the Nicaraguan Democratic Force (FDN). I had been in contact with Enrique Bermudez even before my departure from Nicaragua, and he had urged me to join the FDN. I joined in January of 1983. That same year, I was elected to serve as its president, and I held that position until the Nicaraguan resistance, made up of the various groups working against the Sandinist movement, was formed.

[Solorzano] Why did these groups suddenly decide to join together?

[Calero Portocarrero] This union, which included more than 90 percent of the belligerent forces, was forged by the circumstances in the United States. It was necessary to appeal to the Congress there, to present a broader front, and to obtain from that country the economic aid essential for the task of continuing the struggle.

[Solorzano] What difference do you see between the nature of the Sandinist movement when it was in power and now that it is out of power?

[Calero Portocarrero] The Sandinist movement was clandestine when it began. Once it had won power, its preference for dictatorial command, for absolute, arbitrary control, became clear. Later, due to circumstances and the pressure exerted by the rebel forces (and even international pressure), the Sandinists found themselves forced to hold elections, which they lost. Then, once they were out of power, they were never willing to recognize that this was the situation. Instead, they continued to wield power from below, as Mr. Ortega has put it.

Little by little, however, I have been seeing a change.

[Solorzano] What kind of change?

[Calero Portocarrero] A relatively secret one.

[Solorzano] To what do you attribute this behavior?

[Calero Portocarrero] It looks as if the Sandinists have not been able to overcome this preference for secrecy that characterized the beginnings of the movement. And so we find that we are dealing with an apparently divided movement with different factions, one moderate and one radical.

[Solorzano] Based on your analysis, what is the reason for this situation?

[Calero Portocarrero] I think that there is no ideal in the Sandinist movement that would provide the ranks with cohesion. The Sandinists are confused. It was very difficult for them to make the transition from guerrilla warfare to government power, and then from government power to life in the countryside. Thus the Sandinist movement has become the victim of its own errors, its own failures, and it will be very hard for it to find a direction. The Sandinists will have to deal with many contradictions. Only they themselves can strip the movement down and straighten it out, once they know who they are.

[Solorzano] Who are those you believe can give direction to the Sandinist movement?

[Calero Portocarrero] Well, I would say that it is now possible to discern some innovative forces that merit respect and should be taken into account.

[Solorzano] What do you think of this internal debate in the movement?

[Calero Portocarrero] All of the parties here in Nicaragua tend to have internal divisions. And since we see that there are several conservative and liberal parties, it would not be surprising to see several Sandinist Fronts.

[Solorzano] What was your role in the 1990 elections?

[Calero Portocarrero] I was not permitted to return to Nicaragua during that period—not until after Mrs. Chamorro had taken office.

I did not participate in the electoral campaign and I did not proselytize. I even wrote an article for the MIAMI

HERALD in which I predicted that Dona Violeta would win, based on the Gueguense [Nicaraguan folklore character]. Now then, my party—the National Conservative Party—nominated Enrique Bolanos as its candidate. In the end, I favored the United Nicaraguan Opposition (UNO) and Dona Violeta's candidacy.

[Solorzano] Why, at this point, does the National Conservative Party continue to believe in the UNO and to call for a constituent assembly?

[Calero Portocarrero] We believe, with the greatest conviction and in all sincerity, that simply patching up or repairing the present political problem in Nicaragua by means of partial reforms is not the solution. I even doubt that such reforms could be carried out, because there are forces in the National Assembly that have entirely different interests. And so I believe that the solution to the problem of reorganizing the powers of the state can be found only in a new constitution. In order for this to become a reality, it is necessary to go back to the people, to take back the initiative, and to clarify the ideas of the people so that it will be they who choose.

[Solorzano] My attention is drawn to the fact that while all of the parties making up the UNO are calling for a constituent assembly, their members have resumed their parliamentary seats. How can these two things be reconciled?

[Calero Portocarrero] I believe it was a very great mistake for the UNO to withdraw from the assembly in protest against the election of the board of officers headed by Dr. Gustavo Tablada. The UNO deputies should have stayed, opposed what they needed to oppose, and voted "yes" when they believed it necessary. The UNO lost the majority, whether this was due to mistakes or conflicts. One can never hope that an elected congress will remain united if it has no cohesive factor.

Now then, I think the fact that the UNO deputies returned to their seats is a healthy thing, although we are opposed to any partial reform of the Constitution. But it must be remembered that there are other laws that are very important, and the deputies can do nothing from outside the assembly. It is perfectly possible for them to occupy their assembly seats while favoring a constituent assembly. Let us remember that it is these same deputies—those in both the UNO and the Front—who will cast the votes.

[Solorzano] How can the UNO position be explained when, on the one hand, it is calling for a constituent assembly, while, on the other, a UNO commission met with the Sandinist Front to seek out common ground with a view to partial reforms?

[Calero Portocarrero] The National Conservative Party did not approve of the holding of these talks. We had already decided to wage the struggle for a constituent assembly. We have never had faith in partial reforms, but as members of the UNO, we halted our campaign for a constituent assembly and waited to see what the results would be. They proved to be what we had expected since nothing was achieved. The articles that are of principal importance to both the Sandinist Front and the UNO were not discussed. And so, then, I think we must look to reality, coexistence, peace, and mutual respect, so that we can all live in an ideal country. This can be achieved only through a constituent assembly.

[Solorzano] One of the things the UNO proposed as a condition for supporting partial reforms was a change in the board of officers of the National Assembly. Engineer Alfredo Cesar even publicly recognized the election of Dr. Luis Humberto Guzman. Why then do you continue to insist on a constituent assembly?

[Calero Portocarrero] In my opinion, the UNO has clung to arguments that were not so important. I did not agree with the UNO, but since our party is a member of the coalition, we respected the decision of the majority. But I reiterate that I did not approve of the withdrawal of the UNO deputies from the assembly solely because a board of officers that deprived them of control of the National Assembly had been elected.

It is hard for me to understand Cesar's position in the parliament.

[Solorzano] Does the National Conservative Party regard the present board of officers as legal?

[Calero Portocarrero] My party has made no statement on the matter.

[Solorzano] Doesn't the participation of the UNO deputies in the assembly perhaps give it legal status?

[Calero Portocarrero] Well, you see, the UNO deputies either did not appear at the assembly sessions or presented themselves but then withdrew. However, they did accept their salaries. I believe that this was illogical. It was inconsistent for them to question the legal status of an officer of the assembly, denying it by withdrawing from that body, and then subsequently to recognize the validity of his signature on their checks.

[Solorzano] Originally—in 1989, the UNO was made up of 14 parties, while now there are only seven. Do you believe the UNO is headed toward disappearance?

[Calero Portocarrero] In 1989, there were 14 parties that belonged to the Coordinadora [Coordination Council]. I believe the UNO was formed with fewer parties, and that it was a coalition organized with a view to the 1990 elections. It contained no force that would keep it united. When the catalyst for the formation of these coalitions disappears, they tend to disintegrate. It is true that the UNO has a government program to oversee, and that is the only thing that is sustaining it. Moreover, the UNO will not be a factor in the 1996 elections, since new alliances will be formed. It seems likely to me that even the Sandinist Front will seek alliances with other parties that are sympathetic to the new ideology allegedly professed by some Sandinists.

[Solorzano] Do you believe that no single party will be able to rally the votes needed to win the elections in 1996?

[Calero Portocarrero] Very frequently, this depends on who the leader of a given party is. Here in Nicaragua, there is a tendency to vote for the individual, and not necessarily for the party. However, anyone who aspires to the presidency must have a party behind him. For this reason, I think this is important when the time comes to choose people. And therefore alliances will have to be formed.

[Solorzano] What is the National Conservative Party thinking where the 1996 elections are concerned?

[Calero Portocarrero] We are engaged in a process of consolidation, modernization, and dynamic action. We are working on a data bank with a view to drafting a program, and we will operate as if we were going to proceed alone. It is possible that we will participate in alliances.

Adolfo Jarquin on Future of PSD

94CA0090B Managua EL SEMANARIO in Spanish 28 Feb-2 Mar 94 pp 18-19

[Interview with PSD President Adolfo Jarquin by Walter Lacayo Guerra; place and date not given; first five paragraphs EL SEMANARIO introduction]

[Text] The way out of the crisis in which the Democratic Social Party (PSD) now finds itself can be glimpsed, however vaguely, in the distance, although without Alfredo Cesar and his principal ally Guillermo Potoy included in it. The actions of the group headed by Deputy Adolfo Jarquin Ortel have been real shows of strength. A total of 29 of the 50 members of the National Directorate (DN) appeared at the meeting called by Jarquin to straighten out the political course of the party previously headed by Cesar.

Ortel's followers reaffirmed their support for the proposed constitutional reforms, the incorporation of PSD deputies into the National Assembly, and reorganization of the National Executive Council (CEN) as a result of the sanction which the Disciplinary Council imposed on Potoy, Cesar, and Adan Morales, who were removed from their posts for one year. The National Directorate decided that new party leaders would be elected in June and that those disciplined would not have the right to run.

The unanimous resolution of the National Council of Political Parties (CNPP) to resolve the conflict in favor of Jarquin's group was the coup de grace for Cesar's bunch, which was to be expected since the latter group's allegation was extremely weak. After all, it was easy to see that the majority—no fewer than 29 members of the National Directorate—were on Jarquin's side.

Thus it is that Cesar and Potoy's faction exhibits a significant weakening, not just within the PSD, but in the UNO [National Opposition Union] itself, where leadership will now pass to the liberals of Virgilio Godoy's PLI [Independent Liberal Party] and Arnoldo Aleman's PLC [Constitutionalist Liberal Party]. Cesar apparently ends up alone in the National Assembly, without any party or bench. The defeat has crushed his aspirations to become head of the UNO bench now led by Luis Sanchez.

The CNPP resolution virtually creates a new social democratic party in Nicaragua. There is a potential opportunity to stand out as a party that takes decisive steps to consolidate the National Assembly's stability and its contribution to the process of constitutional reforms could make it a party of the future. Adolfo Jarquin granted the following exclusive interview to EL SEMANARIO.

[Lacayo Guerra] What are your impressions of the CNPP resolution recognizing you as the legitimate president of the PSD and removing Guillermo Potoy?

[Jarquin] The National Council of Political Parties acted in keeping with our party statutes because as soon as the illegalities and arbitrary acts mainly committed by Guillermo Potoy and Alfredo Cesar began, we went before national and international public opinion to condemn that antidemocratic outrage and violation of the statutes. A minority opposed a decision of the majority to support the reforms of the political constitution and not raise such false banners as the Constituent Congress. The CNPP is the body that governs and controls the activities of political parties and we must abide by its decision. We logically expected the ruling to go in our favor because we had the majority of the members of the National Directorate behind us. Likewise, the majority of the rank and file supported the movement, which has been seeking a way to rescue social democratic ideals and ensure that our efforts in Nicaragua would actively support democratization and the establishment of a state of law. We also wanted laws to be passed or adapted for society within an acceptable legal framework enabling us to develop along the lines of social justice and in a manner promoting sustained development of the economy rather than merely grope our way along. We maintain that in order to win we must judge, and the democratic struggle lies in strengthening the institutions of government.

[Lacayo Guerra] Deputy Alfredo Cesar has claimed that the ruling was rigged because the UNO is not properly represented on the CNPP even though it won the elections. What comments do you think such an observation merits?

[Jarquin] Cesar's claim is incongruous. He has been saying that it is he who gives the new board legitimacy and now he wants to maintain that the composition of the CNPP is not in keeping with the nation's laws. What is incongruous is that they did appeal a ruling by the CNPP to the Supreme Election Council. I say that by lodging an appeal, they are tacitly recognizing the

validity of the Council of Political Parties. They have the right to appeal, but Cesar has been saying that since there is an appeal, the CNPP resolution is suspended. It is they who are suspended, not us. One must abide by the law and the CNPP is the body that governs and controls political parties in Nicaragua. We must be respectful of such bodies and not resort to the tactic that whenever something does not go in favor of any one person, then one is accused of belonging to or being allied with the government or the Sandinists. Such a tactic cannot continue in Nicaragua. Here we must have sectors of national life that want to advance and implement a national program to further the democratic process.

[Lacayo Guerra] Have you had contact with the members of the Supreme Election Council in order to defend yourselves, as you have the right to do, and what resolution do you expect from that body?

[Jarquin] We intend to pay the Supreme Election Coun a courtesy visit and hope the judges will review everything done and the evidence provided by those of us who abide by the law. There are absolutely no human rights violations or violations of the political constitution. We continue to be right because we have abided by the law. The problem is that when someone does something wrong, he always ends badly. From the standpoint of our organization, we have statutes that must be respected.

[Lacayo Guerra] The UNO recently issued a bulletin stating that the real authorities in the PSD are Guillermo Potoy, president of the PSD, and Alfredo Cesar, secretary general.

[Jarquin] It is not comrade Eli Altamirano, coordinator of what is left of the UNO, who decides who has legitimacy. We have government institutions for that purpose. They determine who the legitimate officials of a party are and they must be respected.

[Lacayo Guerra] What does the future hold for the PSD? What will happen to the group of leaders sanctioned by the party's disciplinary council?

[Jarquin] We have entered a phase of strengthening our structures. We maintain that what we are trying to determine is how to get back on the social democratic path. The PSD had shifted to the right and lost its identity. We have a role to play in building the history of Nicaragua. When this party was conceived, it was conceived as a party of the center left, a viable alternative for Nicaraguans with aspirations to resolve the problems of the country, which is facing social injustice. We are going to put out a political manifesto defining our lines of action, which basically number four.

[Lacayo Guerra] What are the four lines of action that you have defined?

[Jarquin] The first must be to strengthen our country's political stability. Second, we must contribute to Nicaragua's economic takeoff. Third, we must expand and activate the social democratic rank and file. Fourth, we must renew and broaden our international relations. On this last point, I would point out that we recently acted as observers for the general elections in Costa Rica. We met with the president of the National Liberation Party, Dr. Carlos Manuel Castillo, and even with President-elect Jose Maria Figueres. We also met in the Dominican Republic with Jose Francisco Pena Gomez, vice president of the Socialist International. We have made different international contacts so that this project will not be confined to the organizational strengthening of the party and active participation in parliamentary debates and specific political tasks. Rather, on the international level, we want to find help and support of social democratic friends abroad.

[Lacayo Guerra] What is the situation of your bench in Parliament and its programs? Will you be integrated into the Political Council of Benches?

[Jarquin] We will join the Political Council of Benches because we have a great deal to contribute. We must not forget that Parliament is going through a new phase in which we must participate with solid criteria so as to strengthen that institution of government which the Legislative Branch is, drafting acceptable laws for the people of Nicaragua and helping to strengthen the other branches of government. The political action line in Parliament will be to seek reforms of the political constitution. In that sense, while my party was part of the UNO, we participated in a commission that engaged in a dialogue with the Sandinist Front and we hope to participate in the Political Council of Benches in a like manner. We want to make our best contributions with respect to the Law of Military Organization and other important laws that will be debated and passed this year. We shall also continue to contribute to the country's stability.

[Lacayo Guerra] Could you sum up your experiences in the political battle that you have won over the other sector of social democrats led by Alfredo Cesar?

[Jarquin] The members of this movement are young and courageous members who, despite all manner of schemes used against us, have held fast and put up a good fight. It was not easy to face a group that is self-governing and that sets itself up as the owner of truth when anyone opposing what they consider to be the truth is accused of being allied with the government or the Sandinist Front. I repeat: It was not easy. We were looking for a way to contribute to the sustained development that is so essential to the country. We shall be guided by the thought that it must be Nicaragua that emerges as the winner.

[Lacayo Guerra] In quantitative terms, what is the composition of your bench?

[Jarquin] Right now we have four deputies, without counting the two persons sanctioned by the party, Alfredo Cesar and Adan Morales, but we shall soon increase that number to six.

[Lacayo Guerra] Who are the other two?

[Jarquin] We are waiting for the right time to move ahead. We are involved in talks with them and for the time being I prefer not to divulge their names.

[Lacayo Guerra] You have said that the crisis in your party occurred because a majority group wants to make reforms in the constitution. Do you have a proposal?

[Jarquin] No, we have no proposal, but I personally participated in the drafting of a joint proposal between the Sandinist Front and what was the UNO at the time.

[Lacayo Guerra] That FSLN-UNO proposal was thwarted and only the Sandinist Front signed it. Do you still agree with the spirit of that document?

[Jarquin] I agree with the document. I believe there are certain points requiring further discussion since we cannot close our minds to any potential debate. I am specifically referring to international economic agreements. Their approval must be subject to the participation of other sectors, not just the National Assembly.

[Lacayo Guerra] What is your view of the impossibility of reelecting the president and the ban on relatives of the president being candidates?

[Jarquin] I do not think we can give first or last names to a restriction because we are talking about legislation for the nation, for the future. Let us remember that the constitution governs all Nicaraguans. It is not a matter of closing the door to other persons because of political desirability. Some groups say there must be no reelection at all. I am of the opinion that it should be allowed in alternate periods, but I would like to hear all opinions and learn the experience of other countries. Costa Rica has no reelection, but I realize that there is a struggle to reform the constitution in that country to allow such reelection. It is argued that four years is a very short time for a president to carry out his platform. That is why I agree that the term be five years, but I do not have a closed mind on the subject. In the National Assembly, we must be open to public debate, with all groups saying what they think. We are building for the future and we cannot erect obstacles.

[Lacayo Guerra] It is said that Antonio Lacayo is a potential presidential candidate and that the Democratic Social Party that you head would support him. Your comments?

[Jarquin] It is too soon to speak of such a possibility, first of all because Antonio Lacayo is not a member of the PSD.

[Lacayo Guerra] But many ministers and government officials are members of the PSD National Directorate.

[Jarquin] Well, we must start from the fact that the PSD participated actively in Violeta Chamorro's campaign. Our party supplied the activists, and many of the president's bodyguards and chauffeurs come from the PSD. Some ministers are also from the PSD because we believed and continue to believe that the process which began on 25 February 1990 must have continuity. There must be a national program to further democracy in Nicaragua. Right now we cannot talk about any candidacy of Antonio Lacayo. The opponents of our decision are the ones supporting that view. We could talk in the future, but right now we face the task of strengthening our structures.

[Lacayo Guerra] What future do you envision for the group of social democrats headed by Alfredo and Guillermo Potoy?

[Jarquin] They have three options: to form a new party, and it is already being rumored that they are thinking about forming a party called the Nicaraguan Democratic Party or something similar. Their appeal to the Supreme Election Council is an attempt to gain six months, the time they think they need to win our rank and file. Second, they can ally themselves with the right and adopt a policy of confrontation. They would need such a party in order to do so. Third, another party could take them in, but I do not know which party would. It is said that the Communist Party would take Alfredo Cesar. That could happen, right? (Laughter)

Outside Pressure on Sandinist Youth Discussed

94CA0092A Managua BARRICADA in Spanish 25 Feb 94 p 11

[Commentary by Larry Astorga]

[Text] Nicaraguan youth and Sandinist youth: I believe it is my responsibility to tell the truth and get to the heart of the matter concerning the internal crisis now afflicting the JS19J [19 July Sandinist Youth] organization. I hereby state my political position.

I think we need to try to dot the i's and act without subterfuge or ambiguity. It is essential to speak out clearly, particularly as the people for whom I have the greatest respect are the members of the National Assembly of JS19J and its rank-and-file members in general.

Brothers and sisters in Sandinist Youth:

The decision made by the National Council of Sandinist Youth on 19 February was the result of manipulation controlled from outside our organization, encouraged by some of the National Committee (some were naive, while others were well aware of what they were doing, realizing that the rank and file had not been consulted, and that only the National Assembly of JS19J can elect the organization's national officers.

The Sandinist youth leadership, like other sectors of Nicaraguan society, has been confronted with some

major changes in behavior, and has been rejecting everything that it considers harmful to the youth sector. We now have leaders whom we support for the joint leadership in Sandinist Youth.

1. We are not the founding leaders of JS19J, and so we do not have the same age and experience that others may have had.

2. Our organization's financial resources available for working with youth are totally inadequate.

3. The apathy and scepticism felt by the majority of young people concerning political participation is not the responsibility of our work, and it greatly affects what we can do.

4. We have led Sandinist Youth under the banner of the unity of Sandinism, and so we have rejected any attachment to specific ideological factions or persons. This was part of a decision made in the National Committee of JS19J, a decision which I have respected with fairness and which I have always defended.

JS Should Not Be a Springboard

The decision made on 19 February affects the unity of JS19J because I was unwilling to allow Sandinist Youth to be used to strengthen specific individuals in the FSLN [Sandinist National Liberation Front]. I want to make it clear that I had been pressured on various occasions by the departmental secretary of Managua, Bladimir Soto, to take a position in relation to one of the factions (which I refused to do out of respect for the decision of my youth organization). This meant both supporting his candidacy for political secretary of District Two in Managua and of Henry Petrie for political secretary of Managua. By making this clear, I believe that the rest may be readily deduced.

This situation is seriously detrimental to Sandinist Youth, both nationally and internationally. The comrades who set up the political ambush in the National Council should consider this carefully. I call upon them to reflect and return the situation to normal immediately. If not, they could be parties to the destruction of JS19J.

I will not fail to mention here my amazement about the ingenuousness displayed by comrade Roger Grijalva, who is being used to defend a divisive concept, behavior, and attitude in JS19J. My brother, a man must adopt a single standard of judgment. As a thinking being, no one takes away your right to speak out and to act with honesty. Even in the National Committee we decided that everyone of us has the full right to choose one faction or another, but not to use Sandinist Youth as a springboard to strengthen individuals. On the contrary, our mission is to work to strengthen the party as a whole.

Sandinist young people: it is up to you to decide; you have the truth and the power in your hands. Let us strive for Sandinist unity.

Bayardo Arce Views FSLN Strategy for 1996

94CA0092B Managua BARRICADA in Spanish 10 Mar 94 pp 1, 7

[Interview with FSLN National Directorate Member Bayardo Arce by Noel Irias; place and date not given; first four paragraphs are BARRICADA introduction]

[Text] Bayardo Arce, a member of the National Directorate of the FSLN [Sandinist National Liberation Front], feels that his party's priority must be to support the workers and producers who have been hurt by the government's economic policies.

Arce emphasized the need to support—and not for electoral purposes—the agricultural and industrial producers "who do not see their work yielding any profits," and who are harassed by high bank interest rates and a fiscal policy that makes it impossible for their products to compete in Central America.

The Sandinist leader said the FSLN should form alliances for the 1996 elections in order to offer Nicaraguan society a consensus political platform.

In speaking of the selection of candidates for the 1996 national elections, Arce said that "any member will have the right to seek the nomination or to propose nonmembers of the FSLN as candidates. No one should be disturbed by that or reject those potential candidates or suggestions for candidates."

[Irias] What should the FSLN's priority be until 1996?

[Arce] Our top priority must be to stand at the side of civil society to defend its interests and solve its problems. We cannot seek an election victory with fancy words and abstract concepts.

Coffee growers and cattlemen now face severe credit problems that threaten them with the loss of their properties. Business and industry have serious problems because they can not even compete in Central America because of the current fiscal policy; and there is terrible and growing unemployment.

Our priority must be to stand in support with those sectors. And in 1996 to offer alternatives so the nation can move forward. It is a vital and strategic necessity for Sandinism to win the 1996 elections.

Sandinism is the only political force in the history of Nicaragua that has presented innovative alternatives. We broke with the either/or dichotomy of liberals and conservatives and gave Nicaraguan society a number of political and economic options, multiple possiiblities for expressing itself.

If that program were to suffer a political setback in 1996, it might well mean that an exclusionary and absolutist concept from the past could be reinstated, in which only liberals and conservatives could take part in the process.

That is the intention of liberals and conservatives when they say: "We have to get rid of Sandinism and other small political groups." That would be catastrophic for the nation's future.

[Irias] Does that mean that the FSLN should stand in support with those sectors in order to win the elections?

[Arce] Standing with sectors of society wins you the status of a credible negotiator, but we are not doing that just to win votes.

We defend the transformations which we brought about. When we support the rights of people who were helped by Agrarian Reform or who were given urban lots, we do so for the principle of economic democratization, although we know that many of those people voted against the FSLN.

Because of that democratizing principle, we support the privatization of businesses, with their workers to become the owners of these businesses. If those workers worked to build them and keep them going, it is just that they should have the possibility of becoming the owners of those businesses.

In addition, we say that properties which were improperly confiscated should be returned when that is possible, and when it is not possible to return those properties, compensation must be made.

[Irias] The FSLN's secretary general, Daniel Ortega, said the 1996 election will be between Sandinism and Somozism. Do you agree?

[Arce] When Daniel Ortega says the 1996 election will be between Somoza and Sandino, I think he means that the strength shown by the PLC [expansion not given] in the Atlantic Coast makes clear the danger of bringing back those exclusionary concepts which were expressed in Somozism.

Arnoldo Aleman talks about getting rid of Sandinism and calls us SOB's, thieves, and murderers. Those are pejorative descriptions to use in a democratic system. Still, I do not believe that Aleman's group represents Somozism; Somozism was an integrated economic and military force.

Accepting that idea would mean that the National Police and the Army are acting in support of that exclusionary and repressive philosophy. I would be very careful about saying that the antagonism is between Sandinism and Somozism. Many of the young people who will be voting in 1996 were not yet born when the dictatorship was overthrown. They have no idea of what Somozism was.

I think Daniel is warning people that the danger exists that those elements of Somozism might be restored.

[Irias] Should the FSLN form alliances for the 1996 elections?

[Arce] I personally believe the FSLN should form alliances to run in the 1996 elections. We have to seek an alliance, and not just in order to neutralize the danger of a restoration of Somozism.

The polarization of the nation has reached such profound levels—despite the attempts made to establish a philosophy of reconcilation—that Nicaraguan society is still divided, wary, and suspicious.

That is why it is so important to offer society a consensus platform in which other political, economic, and social groups will take part, no matter what their size, so that through the alliance a truly national platform may be developed.

[Irias] What might be the mechanism for selecting candidates?

[Arce] If you start from this idea, obviously the FSLN will have to establish a mechanism to select suitable people and a mechanism to round off those candidacies with candidates from the other groups in the alliance.

We cannot go to the 1996 elections simply to win votes and declare that we are winning. We have to do so with suitable people who can really put this national program into practice, candidates who are sensitive to the people.

[Irias] And how might the FSLN candidates be chosen?

[Arce] The present FSLN Statutes—and I do not think they are going to change—say that the Congress selects the candidates. It has been proposed that the Extraordinary Congress in May convene an Ordinary Congress to be held within the next two years to select the FSLN candidates, as well as to handle other matters.

I think that in this democratic process any member will have the right to seek the nomination or to nominate someone else, even someone not in the party, if that person has the right qualities to meet the goals proposed.

No one should be disturbed by that or reject those potential candidates or suggestions for candidates, much less sabotage the choice, for that is unworthy of the quality we Sandinists should have.

[Irias] What should the FSLN do to be ready for 1996?

[Arce] In 1996 we must first of all have become credible negotiators speaking for the interests of the workers and the poorest sectors of society, those who are now sunk in hopelessness because of the current economic policy. We even suggest giving priority attention to the campesinos.

In addition, we need to serve as representatives and spokespersons for the nation's productive sectors, who see that their hard work is not paying off.

In 1996 the FSLN needs to be positioned as the hope of Nicaraguan society to move the nation forward in a realistic manner.

No one in Sandinism thinks that the party can again try do do what we did in the government in the same way that we did it before.

[Irias] How should the state be run?

[Arce] On government policy we state—and this is true for the present time when we are not in the government and also for when we are—that we are opposed to holding absolute power.

We want to promote social self-management, the role of civil society's organizations as an active component with a role to play in shaping the nation's destiny.

We also favor the decentralization of power through municipal governments. Putting the government in a balanced role as a guide for the economy.

On relations with the United States, a decisive factor in our national situation, we seek a relationship of mutual respect, a relationship that is not only a matter of words, but one in harmony with the new international context, in which economic rationales prevail.

[Irias] How do you conceive the new leadership body of the FSLN?

[Arce] A new leadership organization needs to be created, and the National Directorate should disappear. That name creates a distorted image in the minds of some party members, who think about what it has meant during the past decade.

I believe a leadership organization needs to be established with more people to bring together the experience of cadres who have already held those responsibilities with other cadres who have acquired both moral and political authority.

It would be wise for this leadership organization to have an executive body with responsibility for handling different areas: organization, training, finances, propaganda, international relations, etc.

The Congress only elected the General Secretary and the Treasurer. We do not have anyone who can be held accountable for the other jobs. I think the new election should distribute individual responsibilities so we can generate the collegial style of operation which has been weakened during the past two years.

I support the idea that the responsibility of the Secretary General should be separate from the duties of the head of government, especially as it may well be that our candidate for president will not be from the Front.

[Irias] Do you hope to be elected a member of that executive body?

[Arce] Of an executive body, no, I definitely have no desire for that. I have already spent over 10 years doing that. On the subject of the leadership organization, what I can tell you is that I never tried to run or presented myself as a candidate for membership of the National Directorate. I came in to fight for "Patria Libre o Muerte" [Liberty or Death].

In 1977, after the death of Oscar Turcios and Ricardo Morales, Pedro Arauz told me that the members of the leadership of the GPP [Prolonged Popular War] faction to which I belonged had chosen me as a member of the leadership of that organization.

In 1979 they informed me from abroad that I had been named a member of the Joint National Directorate.

During the first Congress, the DN [National Directorate] decided not to stake out personal options, but instead to go "as a slate," to take collegial responsbility for the decisions we had made and the pledge to promote the transition from Sandinism toward greater democracy.

I am not going to "toss my hat in the ring" or campaign, but if I am nominated and elected to a leadership post, I will handle my responsibilities in the same way that I did when I was a courier, a student leader, or an underground cadre. If not, I will do whatever I can as a grass-roots activist.

[Irias] People say that some DN members are involved in managing FSLN assets. How are those assets managed?

[Arce] The way in which the party's assets will be handled is going to be decided by the Congress. It is important to make it clear that for some time now these assets have not been managed by members of the National Directorate.

Moreover, this is separate from the political leadership. That is a legal requirement, because the FSLN, as a party, is a nonprofit organization. By law, no party as such may have any business activities.

Only through a business organization outside the party like any other business arrangement can we try to engage in business ventures to benefit the organization and earn a financial return.

In the beginning, some members of the DN—Jaime Wheelock, Sergio Ramirez and myself—were asked to set up that organizational process that has now been completed. No specific member of the DN administers that business plan. The party treasurer controls these assets and it is the treasurer who will provide the appropriate report to the Congress.

[Irias] There are complaints from FSLN members in the Atlantic Coast area about the lack of support they have received from the national organization. What is your opinion?

[Arce] Actually, we did neglect the Coast from the central level, as a result of the 1990 defeat. The idea was that everyone would "cultivate his own garden," at least until the election campaign in the Coast.

The Front was divided about getting involved in that campaign, because Sandinist groups formed and created independent slates of candidates in the RAAN [Northern Atlantic Autonomous Region]. What the PLC did was to join in alliance with Yatama de Fagoth, for their interest was not autonomy or the problems of the Coast, but rather to create a political impact...and that is just what happened.

Enabas To Export Black Beans

94P20608A

[Editorial Report] Managua LA TRIBUNA in Spanish of 18 March 1994 on page 7B reports that over the next few weeks the National Enterprise for Staple Foods (Enabas) will export 60,000 quintals of black beans to Venezuela, the United States, Costa Rica, and the Dominican Republic. According to Enabas Executive Director Alfredo Guzman, Enabas will buy 25 percent of the total production from growers for 105 to 110 cordobas per quintal. Enabas exports will generate $1.4 million. Guzman predicts that the country will export 240,000 quintals, totalling $5 million. The article explains that the cultivation of black beans, a nontraditional product grown for export, is sponsored by the Nicaraguan Investors Financial Institute, the Social Action Ministry, and nongovernmental organizations. Growers include 6,000 peasants from Chontales, Nueva Segovia, and Matagalpa. According to Guzman, yields average 20 quintals per manzana with production costs of 78 cordobas per quintal. Enabas is offering incentives to producers to increase the area under cultivation, the article reports.

Panama

Bank Manager: U.S. Money-Laundering Charges 'Unfair'

PA1104192494 Panama City Telemetro Television Network in Spanish 1738 GMT 11 Apr 94

[From the "Telemetro Reports" newscast]

[Text] National Bank of Panama General Manager Luis Horacio Moreno said that the money-laundering charges made by the United States against Panama are unfair and that the biggest money launderers are in the United States. Luis H. Moreno refuses to accept the conclusions of a U.S. report, which states that the Panamanian Government has implemented several measures to reduce the risks involved in misusing the Panamanian banking center.

[Begin Moreno recording] Bankers in the National Banking Association, among whom I count myself as a representative of the National Bank of Panama, have done and continue to do everything possible to reduce the incidence and risk of misuse of our services in the form of money laundering. We have not done it because the United States asked us to or because we want to qualify for a loan, but because we are convinced that attacking and fighting money laundering is a patriotic duty. In so doing, we are also fighting drug trafficking, one of the worst plagues of our time, which jeopardizes our young people and our entire community. That is the real reason; it is not to qualify as one of the good little boys.

All we want is to fulfill our patriotic duty. This government has carried out innumerable actions and made great effort that have been unacknowledged until now. Beginning in March 1990 we took effective steps to control cash deposits at banks. Since then and for the last four years, Panama has implemented an incredible number of controls such as that last measure you just mentioned: declaring the amount of cash one is bringing into the country when going through customs, which is something many other countries do. We will continue to do so, because this is not something that will go away with two, three, or even 100 measures. The United States, which is the qualifying party, launders the most money in the world. The United States invests tens of billions of dollars each year and they have still been unable to do solve the problem. [end recording]

Paper Terms U.S. Charges Baseless

PA1004211194 Panama City EL SIGLO in Spanish 9 Apr 94 p 4

[From the "Forum" column]

[Text] U.S. authorities have been accusing our country of being a center for regular and abundant drug-related money laundering. They have done this without, in any instance, giving specific details regarding the persons, place, and time the actions have taken place. In addition, they have done it indirectly, without denoting the attitude of a serious government such as that of the United States, a country seeking to end that illegal business. The U.S. accusations indicate a rather obvious intention to tarnish the country so as to free itself partly of the social stigma of currently being the largest drug consumer worldwide.

If instead of trying to raise "doubts" regarding the reputation not only of our country, but also of other nations on the continent, Washington tried to outline joint strategies to solve this serious problem, then the sincere will of the U.S. Administration to stop the illegal business of those who come to our countries to "clean up" would become evident. [sentence as published] Then those countries, and their governments, including Panama, would have a greater chance to succeed in this fight against the negative forces of the U.S.-fed, thriving, and powerful drug enterprise. These countries south of the Rio Grande could never generate so much money because they do not have it; and if they had it, they would use it to satiate the overwhelming hunger of their peoples and not to use and abuse cocaine, marijuana,

and their many byproducts. In this serious war, Washington should be the one to set an example for the other participants.

Perez Balladares Outlines Position on Treaties

PA0904161594 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Apr 94 p 1

[Report by A. Sanchez Belisle]

[Text] Ernesto Perez Balladares, presidential candidate for the United People political alliance, yesterday called for compliance with the Torrijos-Carter Treaties during a meeting with U.S. congressmen who advocate U.S. military presence in Panama beyond the year 2000.

"Compliance with the Torrijos-Carter Treaties is the most advisable thing for the United States and Panama," Perez Balladares told U.S. Congressmen Phil Crane and Howard Phillips [title as published], who are holding talks in Panama to promote a law before the U.S. Congress to extend the U.S. military presence in Panama after 31 December 1999.

Perez Balladares said his government would be "willing to hold talks" if the United States should request discussions on defense issues and on a U.S. military presence beyond the year 2000.

The United People candidate said: "We held very frank talks." He added that times have changed and currently "our interests and the interests of the United States are focused on the war against drugs and drug trafficking."

Perez Balladares said drugs are causing havoc in Panama, adding that, if he wins the 8 May elections, he will ask neighboring countries, specifically Costa Rica and Colombia, "to establish a united Latin American front to fight drugs." The struggle against drugs, the presidential candidate added, must be based on mutual respect that must prevail among free, independent, and sovereign countries.

Perez Balladares' meeting with Congressmen Crane and Phillips, who were accompanied by about 20 people, took place in the afternoon in the Blue Room of the Continental Hotel.

Presidential Candidates Address Conference

PA1104173094 Panama City Circuito RPC Television in Spanish 1730 GMT 9 Apr 94

[Report by Victor de la Hoz from the "Day to Day" newscast]

[Text] CADE [Annual Conference of Business Executives] 94, organized by the Panamanian Association of Business Executives [APEDE], continued today with the participation of the presidential candidates, who explained their government platforms.

The first candidate to speak was Ruben Dario Carles of Change 94. He was followed by Jose Salvador Munoz of the Doctrinaire Panamenist Party, then by Ernesto Perez Balladares of the United People alliance.

Professor Ruben Dario Carles pointed out the previous government's administrative mistakes in handling public finances. Carles said that 21 years of military government left a $7.2-billion financial disaster due to the lack of an appropriate fiscal policy. The Change 94 candidate stressed that payment of the foreign debt must be preceded by attention to the country's social debt.

[Begin Carles recording] There has been an obvious, general deterioration of basic public services, but this failure is not the result of a lack of funds. It is due to a lack of structural efficiency by the government caused in many cases by legislation imposed by the dictatorship. Gentlemen, forget it; the government cannot do it all. Those who believe that the government is going to satisfy everyone who asks for something are dead wrong. That is impossible. This country is bankrupt and has no credit. [end recording]

The event is organized by the APEDE and is being held in a local hotel. Six of the seven presidential candidates are participating. Arnulfist Party candidate Mireya Moscoso de Gruber declined to attend.

Doctrinaire Panamenist Party candidate Jose Salvador Munoz seriously criticized President Guillermo Endara's administration, calling it a continuation of militarism. He also said that the country's social problems have not been solved. Ernesto Perez Balladares of the United People alliance based his speech on giving priority to resolving the country's social problems as part of his government's platform.

[Begin Perez Balladares recording] The potential natural, human, and financial resources that Panama has available guarantee an increase in Panamanians' quality of life. The previously mentioned human development guidelines implicitly include the adoption of a strategy of equitable economic growth to serve as a source of and support for the country's overall development.

In my administration, the economic growth program will mean:

1. [number as heard] The rational and effective use of the reverted areas and areas that will revert in accordance with the Torrijos-Carter Treaties. This should allow us to coherently plan our development model, ensuring that the benefits gained are accessible to all areas of the country and to all Panamanians. [end recording]

CADE 94 ends this afternoon.

Roundup of Electoral Developments

PA0704222894

[Editorial Report] The following is a compilation of reports on developments related to the Panamanian elections scheduled for 8 May 1994:

Ruben Dario Carles, the presidential candidate for the Nationalist Liberal Republican Movement [Molirena], said on 1 April that as soon as he becomes president, he will implement a program to improve, expand, and modernize public transportation services in Panama City and the interior. Carles pointed out that he will promote the participation of cooperatives, private companies, and independent transportation workers. (Panama City LA PRENSA in Spanish 2 April 94 p 5A)

According to the latest CID-Gallup poll, conducted from 20 to 26 March in 1,204 homes, Ernesto Perez Balladares, presidential candidate for the Democratic Revolutionary Party [PRD] leads the field of presidential candidates with 34 percent of public support; followed by Carles, 15 percent; Blades, presidential candidate for the Papa Egoro Movement, 12 percent; Mireya Gruber, presidential candidate for the Arnulfist Party, 11 percent; and Eduardo Vallarino, presidential candidate for the Christian Democratic Party [PDC], 4 percent. (Panama City EL PANAMA AMERICA in Spanish 4 April 94 pp 8A, 9A)

Following the funeral mass for PRD member Mauricio Foster, victim of an allegedly political attack, Ernesto Perez Balladares asserted: "I urge fellow party members to show their civic awareness and patriotism, to be aware that there will be more provocations, and to avoid violence and sorrow at all costs." (Panama City Circuito RPC Television in Spanish 2300 GMT 5 April 94)

On 5 April, Ruben Carles met with teachers' groups, to whom he presented his proposal on education. Carles believes the approval of new laws on education reform is crucial. In his proposal, he mentioned the need for reforms that guarantee that those people who have the ability to teach be allowed to work and have training opportunities. He added that public finances must be strengthened to improve teachers' salaries and that social programs to enhance school-home relations and programs for adult literacy and training must be resumed. (Panama City EL SIGLO in Spanish 6 April 94 p 14)

During a meeting with members of the diplomatic corps, Perez Balladares emphasized: "We will be very strict in dealing with government corruption." He added: "Security concerns will be addressed through the professionalization of the National Police, which will definitely remain under civilian control." Regarding his foreign policy, Perez Balladares noted that what Panama needs is respect, fraternity, and friendship with the United States and other Latin American nations. (Panama City Circuito RPC Television in Spanish 2300 GMT 6 April 94)

A recent Veritas Data poll conducted nationwide on 28 and 29 March shows that over 80 percent of Panamanians plan to vote in the 8 May elections. Other findings include that 73 percent of Panamanians say they have watched the presidential debates and that Perez Balladares' performance created the most favorable impression. (Panama City Circuito RPC Television in Spanish 2300 GMT 6 April 94)

Argentina

Menem Celebrates Victory in District Elections

PY1104134494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0238 GMT 11 Apr 94

[Text] Buenos Aires, 10 Apr (NA)—President Carlos Menem denied tonight the existence of a "protest vote" in the elections in the federal capital, and congratulated the Grand Front [FG] for its "excellent results" in the district elections.

Menem also emphasized the government's nationwide victory "for the fourth consecutive year" in as many elections, and ruled out the possibility of introducing changes in the national cabinet.

The president also confirmed "all the terms" of the current economic model, and emphasized that the convertibility program's "measures will be further enhanced."

The president confirmed PAMI [Comprehensive Medical Assistance Plan] head Matilde Menendez in her post, because "it is not the time to have heads roll" even though he admitted that "we will correct some mistakes."

Menem said that the PAMI head "has not tendered her resignation, nor has anyone asked her to resign," thus denying press reports that circulated shortly after the elections.

The president also emphasized that the Justicialist Party [PJ] defeat in the federal capital "cannot be blamed on anyone in particular."

Menem said "Argentines no longer vote angrily," and denied that the FG victory in the federal capital represents a "protest vote" against the government.

During a news conference at Government House, Menem said "we will strictly abide by" the Olivos Pact that we signed with Raul Alfonsin.

Discussing the FG victory in the metropolitan district, Menem said that "the federal capital does not represent the entire country," and praised the victories achieved in San Luis and Santiago del Estero Provinces, among others.

Asked to interpret the election results, Menem said "there was a shift in votes." In this regard he made the interpretation that "UCR [Radical Civic Union] electoral strength has declined" and that "these votes were not cast for the PJ" but for the FG, among other forces.

Menem specifically made it clear that "even though" some provincial forces that won in their respective districts "do not support the Olivos Pact, they actually agree with the possibility of reforming the Constitution."

Asked if after his overwhelming victory in Buenos Aires Province, Governor Eduardo Duhalde would be his running mate in 1995, Menem said: "The governor is free to make any decision. If he wants to be my running mate, I would be very pleased, but I emphasize that it is much more important to hold a governorship like that of Buenos Aires than to hold the post of vice president."

Menem then reviewed the provinces where the PJ won. Nevertheless, he refused to discuss [Republican Force leader] General Domingo Bussi's victory against [Tucuman Governor Ramon] "Palito" Ortega in Tucuman Province. Menem said that for this province the Republican Force and the PJ will have "five Constituent Assembly members" each, while the UCR will have one.

Asked if the government would conduct a self-examination over these results, Menem initially responded that it would be conducted "within the next few days," but immediately asked himself: "Is it possible to conduct a self-examination after a victory? We have won throughout the Republic, and there is but one country; there are no isolated areas."

In this regard, Menem extolled the results achieved in Santiago del Estero Province, where Peronism defeated UCR leader Jose Zavalia, and in Catamarca Province, where "Dr. Ramon Saadi again won after two years of federal intervention."

Menem also praised the PJ victory in Salta Province and San Luis Province, where "a few months ago, after a great scandal, politicians and the media asked for federal intervention of this province. We did not implement such an intervention, and won with 66 percent of the votes in San Luis Province."

Menem then stressed that according to initial projections, it will not be difficult for Peronism "to have a majority in the electoral college" in the Constituent Assembly, as Peronism "will be supported by the provincial forces because even though these forces do not support the (Olivos) Pact, they support the constitutional reform."

Justicialists' Margin in Assembly Down

PY1104140894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1109 GMT 11 Apr 94

[Excerpt] Buenos Aires, 11 Apr (NA)—Peronism [Justicialist Party] has obtained its fifth [as received] consecutive victory with an ample win in most of the country, although its electoral percentage decreased in an election for Constituent Assembly members. The elections also show the resounding fall of the Radicals [Radical Civic Union—UCR], the consolidation of MODIN [Movement for Independence and Dignity], and the notable growth of the center-left coalition Grand Front, which won in the Federal Capital and in Neuquen Province.

The Peronists have thus been able to maintain their supremacy, although they were not able to obtain a majority of members in the Constituent Assembly in order to guarantee, without any ups or downs, the reform

that was agreed upon in the Olivos Pact. They must now seek alliances with other parties.

For the anti-pact forces the election results proved to be much better than estimated, with the absolute victory of Carlos "Chacho" Alvares (Grand Front) in the federal capital, the victory of the Liberal Autonomist Pact in Corrientes Province, the excellent showing of the Popular Jujeno Movement in Jujuy Province, the Democratic Party in Mendoza Province, and the Grand Front's win in Neuquen Province, where it obtained a surprise victory with the candidacy of Bishop Emeritus Jaime de Nevares.

According to observers, the biggest winners in the elections were Buenos Aires Governor Eduardo Duhalde and Cordoba Governor Eduardo Angeloz, who raised their stature with ample victories over their rivals. In Angeloz' case the winner was his protege, Ramon Mestre.

Duhalde is now placed in a strategic political position, and Angeloz seems to have consolidated his aspirations to be the UCR candidate in 1995.

The victories of Ruben Marin in La Pampa Province, Carlos Reutemann in Santa Fe Province, Radical Horacio Massaccesi (Rio Negro Province), and Radical Carlos Maestro (Chubut Province) must also be highlighted.

The victory of General Antonio Domingo Bussi, retired, over Governor Ramon "Palito" Ortega in Tucuman also came as a surprise.

This time around information on the results of the elections ran into a lot of problems, and official figures only began to come in during the evening, although many of the candidates acknowledged their defeats through the exit polls.

According to the most recent data the Justicialist Party lost some 5 percent when compared with the October 1993 elections, and the UCR lost 10 percent, while the MODIN preserved its third place at the national level.

In Buenos Aires Province the UCR suffered the worst results of its history, and its fall in the federal capital was catastrophic, as it came in third place with 15 percent of the votes. [passage omitted]

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 0510 GMT on 11 April reports: "The following are the partial results in the district of Buenos Aires, on the basis of 27,230 polling booths, or 95 percent:

"Justicialist Party	2,438,469	42.88percent
"Grand Front	931,159	16.35percent
"UCR	893,030	15.68percent
"MODIN	774,896	13.60percent
"Socialist Unity	176,351	3.09percent
"Blank votes	47,373	4.11 percent

"The following are the partial results in the district of the Federal Capital on the basis of 8,622 polling booths, or 98.55 percent:

"Grand Front	687,190	37.58 percent
"Justicialist Party	448,955	24.55 percent
"UCR	277,991	15.20 percent
"Socialist Unity	141,787	7.75 percent
"Center Alliance	109,383	5.98 percent
"Blank votes	69,753	3.63percent"

UCR's Alfonsin on Olivos Pact, Elections

PY1104143194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1231 GMT 11 Apr 94

[Text] Buenos Aires, 11 Apr (NA)—Raul Alfonsin, head of the UCR [Radical Civic Union] executive board, made it clear that despite the poor results achieved by the UCR, he "would again sign" the so-called Olivos Pact. He stressed that he will not "take a single backward step, or step aside" as party leader.

Shortly after 1930, Alfonsin conceded defeat in the Constituent Assembly elections for the district of Buenos Aires at the hands of the PJ [Justicialist Party]. He admitted that this situation will force him "to ponder" before making a decision on his next step.

The former president believes that the ticket headed by [Buenos Aires Province] Governor Eduardo Duhalde won because "the people voted based on government actions rather than on constitutional issues." He denied that the Grand Front [FG] victory in the federal capital had been prompted by a rejection of the [Olivos] Pact. It was rather prompted by "a rejection of government actions," he said.

In a news conference at the UCR executive board headquarters last night, the former president said the numbers achieved by the UCR "do not represent" the party's "greatest defeat in history." He stressed that, quite to the contrary, "it represents a victory, because the political peace has been saved."

Alfonsin emphasized: "It was not the worst elections, and I am very satisfied with our position because we managed to enhance institutional democracy."

Alfonsin also confirmed that he trusts that the points agreed upon in the Olivos Pact that he signed with President Carlos Menem "will be absolutely observed." He made it clear that "no meeting has been scheduled" with the president within the next few days.

Asked about the possibility of resigning as UCR executive board head, Alfonsin stressed that he does not plan on taking a single step aside, or backward step" because he is the UCR's rightful leader. He emphasized that he feels "strongly supported by half of the party" even though he is not supported by Federico Storani's and

Juan Manuel Casella's Convergence Faction and metropolitan UCR leader Fernando De la Rua.

Nevertheless, the former president said that if the executive board plenary, which is scheduled to meet late this month, asks him "such a thing," he would have to leave the UCR leadership, even though he predicted that "this will not happen."

Alfonsin finally said that a national convention will be called in September to establish the bases of an electoral platform for the 1995 elections. He believes that the UCR presidential ticket will be established "in October or November."

Opposition Figure: Elections Reject Reform

PY1104190694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0249 GMT 11 Apr 94

[Text] Buenos Aires, 10 Apr (NA)—Antonio Bussi, leader of the Republican Force, considers the elections for Constituent Assembly members "indicate a flat no to the reform, a flat no to reelection, and a severe alert to Governor (Ramon) Ortega, as the people of Tucuman Province are demanding that he start governing."

Bussi also indicated that the results of the elections "have exploded the dream" of Governor Ortega of being President Carlos Menem's number two on the ticket for the 1995 elections.

"His balloon has burst," Bussi stressed in remarks to a radio station.

"Please forgive my lack of modesty, but I believe I have been winning ever since I entered politics because the people of Tucuman have no other reasons to forget the recent past, when the province had me as governor," he said.

Bussi maintained that "as no governor has yet surpassed my governorship, the people are thinking about the past," and he reiterated that the decision of the voters "is a severe alert to Ortega to once and for all start governing the province."

The former provincial governor indicated that he has not yet studied the possibility of running for the governorship in the next elections and stated that the decision will be made by the members of the Republican Force.

Grand Front Leader Discusses Policies, Plans

PY1204002994 Buenos Aires LA PRENSA in Spanish 10 Apr 94 Section 2 p 10

[Interview with elected constituent member Carlos "Chacho" Alvarez, founder of the Grand Front, by unidentified reporter on 10 April; place not given]

[Text] [LA PRENSA] How would you define the Grand Front?

[Alvarez] The Grand Front is a center-left movement. I define it as an open political alternative aimed at recovering values that the Argentine people are losing.

I do not know if the fact that we propose modernizing the economy with emphasis on social aspects means that we are on the government's left. But we think Argentina must be more equitable and balanced.

[LA PRENSA] Do you identify yourself with any European socialist movement?

[Alvarez] I think there is a models' crisis. Marxism failed. The authoritarian socialist systems collapsed. Social democratic movements also have failed in their aim of creating more equitable societies. The idea of a fundamentalist market system also has failed. The opposite is happening; there is an increase in racism and xenophobia.

Our challenge is to create a new model. This model does not have to look like any of the options currently dominating the international scene.

[LA PRENSA] If you controlled the public administration, what type of model would you implement?

[Alvarez] It is difficult at first to place ourselves in a different situation than the present one. We represent Argentine society's need for an efficient political force to control excesses and abuse of power.

We will try to develop an alternative economic program after the election for constituent members is over.

Our growth must be gradual. We must institutionalize the Grand Front as a political force first.

[LA PRENSA] Is it true, as comments have it, that you are working on a mini-cabinet to eventually run for mayor?

[Alvarez] I am not tied to any candidacy. I want to be part of a political project capable of becoming a government alternative.

We made this clear to the Socialist Party. We proposed the name of Socialist Party followers to head our tickets in this election.

However, we are going to work on city matters because the people are not going to vote for us to rule the country unless we show that we are efficient administrators of a local government.

[LA PRENSA] But neither will they vote for you to administer the city unless you explain what you intend to do first.

[Alvarez] Correct. We must develop a clear administration and government alternative and show that corruption in the public administration is not fortuitous. Corruption is systemic, structural, and is affecting the operation of services that are indispensable for the development of a better standard of living. For instance,

the most pessimistic estimates of the black money circulating in our financial system is around $4 billion per year.

[LA PRENSA] Are your remarks that stability is an important achievement and that you will maintain it, indications of the Grand Front's economic project?

[Alvarez] It would be silly to deny the importance of stability. We believe that stability is undeniably beneficial for society, but we must face the problems that stability alone cannot solve.

[LA PRENSA] Do you believe in privatizations?

[Alvarez] We must study them on a case-by-case basis. It is an instrument that we do not reject.

I do not think we can talk about a [Economy Minister Domingo] Cavallo model. There are instruments. We must analyze them one by one. We do not have ideological prejudices against the instrument of privatization.

But we must always analyze privatizations case by case. For instance, we believe that the privatization of Aerolineas Argentinas was very bad because we now have a single airline and it is in foreign hands. We know we cannot reverse the process but we want to discuss efficiency, service quality, and fare structure.

In sum, we agree with some privatizations and disagree with others.

In the same way, we do not think it is prehistoric to discuss if the state could have efficiently administered some profitable companies, as occurs in other parts of the world.

[LA PRENSA] What about the economic opening?

[Alvarez] The opening process bets on Argentine companies' improved competitiveness. We propose a different opening model, making sure—as is done by the most advanced countries in the world—that some industries have the necessary level of competitiveness and insertion into the world. The idea is to design an economic system between the private sector and a state that guides, establishes the infrastructure, and seeks competitiveness.

If we leave everything in the hands of the market's spontaneous development we may end up without production of goods with high added value. I do not think it is bad for the state to help private companies.

[LA PRENSA] Could Patricio Aylwin's government be an example of your policies?

[Alvarez] The Chilean model developed in stages. First, the government sought an efficient economic plan, with a not-too-dogmatic vision. There is, for instance, a Chile Fund that helps small- and medium-size companies become competitive in the world.

But the system also forgot areas that remained on the sidelines and at the margin of the ideological reconversion.

I do not think Argentina should wait for a new government to begin looking at the areas that were left aside.

Comments on Political Attacks

PY1204012094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1620 GMT 11 Apr 94

[Text] Buenos Aires, 11 Apr (NA)—Elected constituent member Carlos "Chacho" Alvarez of the Grand Front (FG) said today that PAMI [Comprehensive Medical Assistance Plan] President Matilde Menendez was "punished by society and condemned politically" in yesterday's election.

The Buenos Aires district winner said that Menendez—second on the Justicialist Party ticket—represents "an example of the saturation felt by a good part of the capital's people."

He added that despite his victory he will not forgive the government for "everything it did" to "disqualify him." Alvarez said the campaign "was not traditional and did not include the debate of ideas or the exchange of proposals" because the ruling party "carried out a very harsh campaign below the surface."

He said that "part of the political game's cynicism" is due to the fact that "when the aggression ends everybody pretends to love each other again."

Alvarez denied that the reports of alleged bribes in PAMI were "low punches" because "knowing where the money comes from is as serious as discussing proposals."

"The people said it was enough and wanted to put a limit on abuse and corruption in government. The FG was the instrument citizens from different political and ideological groups used to show this, which proves that no one has a captive electorate in the capital," Alvarez said on the radio.

The legislator questioned "the government's insults and low punches against the FG during the campaign," adding that "the incidents created a tense situation because we knew the information services were looking for any excuse to attack us."

"When the government saw our growth through the surveys it started attacking us from all sides. Government officials linked us with the issue of the super gang. Then they said I was being financed by the SIDE [Secretariat for State Intelligence]. They paid two mercenaries who came from the south to say that I wrote letters from Congress to former political prisoners, which is totally absurd," Alvarez added.

According to the FG leader, "there were various government operations, one after the other, to hit us below the belt. They gave people the impression that they could not accept the possibility of losing democratically."

Alvarez said the reports on possible bribes inside PAMI "were not low punches, because to speak of kickbacks or bribes is as serious as to discuss proposals." Alvarez concluded by urging "a continuation of the investigation because the report was not presented for electoral reasons."

Kelpers Object to Sovereignty Debate With UK

PY0804205894 Buenos Aires BUENOS AIRES HERALD in English 8 Apr 94 p 13

[Text] (NA)—The fourth Argentine-British Conference opened here yesterday and sources said that the main topic of discussion centred on the rejection on the part of the Malvinas islands inhabitants to bring the issue of sovereignty under debate.

"As long as Argentina continues to claim sovereignty over the islands it is difficult that there will ever be normal relations between the two countries," a spokesman for the Kelpers at the conference said.

However progress was apparently made on the issues of commerce and culture between the islands and continental Argentina, sources said.

The Conference, which will go on until tomorrow, will continue to be staged behind closed doors.

Bolivia

Court May Reject U.S. Extradition Request

PY1104154394 La Paz HOY in Spanish 29 Mar 94 Political Section p A7

[Text] It is quite likely that the U.S. request for the extradition of retired Colonel Faustino Rico Toro will be rejected, as has been the case with over 10 requests by the U.S. courts for the extradition of Bolivian citizens, due to the lack of an extradition agreement between Bolivia and the United States.

High-ranking judicial branch authorities, who asked not to be identified, made this comment in recalling that the extradition of Asunta Roca Suarez to the United States generated a negative reaction from the Bolivian public.

After this case the Supreme Court announced that it would not extradite any more Bolivian citizens to the United States unless a treaty in this regard was signed by the two countries.

One of the sources said: "The United States would have to exert a lot of pressure to obtain Rico Toro's extradition, because the Supreme Court was quite clear on the issue."

All the U.S. requests for extradition refer to cases of drug trafficking and, in that sense, the sources stated that the 21 April 1900 treaty signed by the two countries does not mention that type of crime.

Drug trafficking was a crime not known at that time, and this is the argument of the Bolivian Court to reject the U.S. requests for extradition.

Although the extradition of Asunta Roca was based on the 1900 treaty, and was approved with the Vienna Convention signed in 1988 (a multilateral accord which includes drug trafficking as a crime for which a delinquent may be extradited), the sources explained that that document is contradictory.

Brazil

Franco To Attend Miami Summit With Successor

PY1204010394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Apr 94 p A6

[Article by Tania Monteiro]

[Text] Brasilia—The future Brazilian president-elect already has an official engagement scheduled for 9-10 December: to attend the Summit of the Americas in Miami. Responding to U.S. President Bill Clinton's invitation, President Itamar Franco has stated that he will attend the meeting with his successor. In remarks to O ESTADO, President Franco said: "By then I will be in the final stage of my tenure and I believe the president-elect should go with me." He stated that he would invite his successor "whoever he might be."

Franco has already set a date for leaving Alvorada Palace: 30 September; that is, prior to the first round of the elections. He said: "I want to leave the palace at that time to make it available for the president-elect to use for meetings during the transition period." He noted that in this way the palace could be thoroughly cleaned in time for its new resident.

Although he still has eight months in office, Franco is already dreaming of more peaceful days at Planalto Palace. For instance, he mentioned that his youngest daughter, Fabiana, will graduate in Economics by the end of this year. He is convinced that her graduation ceremony will not be as hectic as that of his daughter Georgeana from Law School late last year. Franco said: "Everyone will be thinking about the new president and no one will be chasing after me." He added: "At the end of your term, only the wind knocks on your door."

Franco hopes to leave the government with a low inflation rate. He believes prices will drop soon. He believes time will help overcome the resistance observed in some sectors to the FHC2 [Fernando Henrique Cardoso-2] Plan. This would help Cardoso—his presidential candidate— qualify for the second round.

Poll Shows Lula, Cardoso Lead Presidential Race

PY1104224494 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Apr 94 p 1

[Text] Voters' preferences for PT [Workers Party] candidate Luiz Inacio Lula da Silva have risen, in one month, from 30 to 36 percent, while preferences for PSDB [Brazilian Social Democracy Party] candidate Fernando Henrique Cardoso rose from 11 to 20 percent, putting him in second place in the presidential race. Both benefited from PPR [Progressive Renewal Party] candidate Paulo Maluff's walking out of the race.

These results are part of the first nationwide poll by Datafolha following the deadline for candidates to resign their current government posts (2 April). Preferences for Leonel Brizola (PDT) [Democratic Labor Party] and for Orestes Quercia (PMDB) [Brazilian Democratic Movement Party] stood at 10 and 8 percent, respectively. FOLHA is for the first time publishing charts comparing the performance of parties in the campaigns of 1989 and 1994. The PT and the PSDB have improved their performance in all regions, while Brizola became weaker, especially in southern Brazil.

Socialist Convergence Joins Lula's Coalition

PY0904000594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Apr 94 p A6

[Article by Joao Domingos]

[Text] Brasilia—The Socialist Convergence—a political faction that had been expelled from the Workers Party [PT] because of its radical, intolerant ideas—has managed to join the front that will support the presidential candidacy of Luis Inacio Lula da Silva. Under the new name of Unified Socialist Workers Party (PSTU) [Partido Socialista dos Trabalhadores Unificado], the former Socialist Convergence wants to influence Lula's campaign with slogans calling for an "anticapitalist" Brazil that will accept "no masters."

The PSTU has only two federal deputies: Ernesto Gradella (Sao Paulo) and Maria Luiza Fontenelle (Ceara); and few members in the states. The PSTU, which follows an ultraleftist, Trotskyite line, has its stronghold in Sao Paulo. The PSTU criticizes the PT, describing it as "bourgeois."

PT members have been upset by the PSTU joining the coalition supporting Lula's candidacy. Deputy Paulo Delgado (PT-Minas Gerais State) finds it absurd for the PT to have accepted as allies those who had been expelled from the party for not following the party guidelines. Delgado said: "The left operates as an exclusive club in which there is ultimately greater solidarity among club members themselves than between the club and the people." He added: "Could people who do not respect anyone speak in someone's name?"

PSDB, PFL Agree To Support Cardoso Candidacy

PY0804130994 Rio de Janeiro O GLOBO in Portuguese 7 Apr 94 p 5

[Text] Brasilia—The Brazilian Social Democracy Party [PSDB] and the Liberal Front Party [PFL] on 6 April sealed an agreement supporting the presidential candidacy of Senator Fernando Henrique Cardoso (PSDB-Sao Paulo). In a meeting that lasted all morning, PSDB President Tasso Jereissati and Luiz Eduardo Magalhaes, PFL leader in the Chamber of Deputies, made progress in consolidating the alliance between the two parties and seeking to find a PFL candidate for the vice presidency. In another meeting, PFL President Jorge Bornhauser and Tasso Jereissati established a schedule. At the beginning of May, the two parties will hold simultaneous conventions to officially report on their electoral ticket.

Despite having succeeded in ensuring an agreement to make the electoral alliance formal, the PSDB and PFL leaders did not confirm Luiz Eduardo Magalhaes' name as the vice presidential candidate on Fernando Henrique Cardoso's ticket. Magalhaes is, nonetheless, the candidate preferred by the PFL and by Cardoso himself. In addition to the alliance, it also was decided on 6 April that two committees comprised of representatives from the two parties will be created to draft a common government program.

Bornhauser explained: To avoid complaints about possible differences in the program of each party, we decided to draft a joint government program to last four years. This program's pillar will be the resumption of development.

He believes that after sealing the agreement, the natural tendency will be to gradually reduce the PSDB and PFL factions' rejection of the alliance. The strategy now will be to seek new partners for this front. According to Bornhauser, the initial targets will be the PTB [Brazilian Labor Party], the PPR [Progressive Renewal Party], the PP [Popular Party], and the PL [Liberal Party].

The wider the range the better, the PFL leader said.

One of the decisions made on 6 April was to hold the regional directorates responsible for eliminating the differences PFL and PSDB members living in the various Brazilian states still might have. Another proposal approved during the meeting was on holding simultaneous conventions to officially announce the PSDB-PFL ticket amidst huge celebrations. Two dates have been suggested for the convention: 15 May or 22 May. Each party will hold its convention separately as established by the law and, at the end of these conventions, the two parties will get together for a festive ceremony in which they will announce the electoral ticket.

Flavio Rocha Nominated as PL Candidate

PY1204005994 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Apr 94 p A6

[Text] Brasilia—In its national convention, the Liberal Party [PL] on 10 April nominated Deputy Flavio Rocha (Rio Grande do Norte State) as its presidential candidate. Rocha has thus become the first candidate to be officially nominated by his party to seek President Franco's office. Rocha, who is unknown to the public, will use the eight-minute television time allotted daily to his party to exclusively defend his proposal for a single tax.

Rocha's immediate objective is to preserve an alliance with little-known groups that will guarantee him a reasonable share of TV time. Rocha is hoping to get a significant number of votes during the first round so that in the run-off he can exact a commitment for his single tax proposal from one of the two candidates.

Drawing on his family fortune built on profits from the Riachuelo chain of stores, Rocha already has visited nearly 100 Brazilian cities on board his private jet. In just the past 45 days, the PL candidate's flying time stood at more than 200 hours and he plans to visit a minimum of 500 cities.

At 36, Rocha is serving his second term as a federal deputy and will be the youngest presidential candidate in Brazilian history. In the February PL primaries, he defeated retired Brigadier Ivan Frota, who obtained only 19 percent of the votes.

Space Agency Head on U.S. Proliferation Concerns, MTCR

94WP0077A Sao Paulo ISTOE in Portuguese 23 Mar 94 p 75

[Article by Jayme Brener and Luiz Antonio Novaes]

[Text] The Brazilian Government is ready to undertake a prickly mission: convincing the White House that Brazil's space program is completely peaceful. In other words, that our satellite launch rockets will neither don military uniforms nor transform themselves into missiles capable of landing in our neighbors' territories. In February, the government announced it would adhere to the terms of the MTCR [Missile Technology Control Regime] an international treaty that restricts missile production. And the new Brazilian Space Agency (a sort of green-and-yellow NASA), which acquired its first directors in early March, is likely to permanently disconnect the program from any military content, in the eyes of the Americans. Until February, when the agency was created, the Brazilian Commission for Space Activities (COBAE), linked to the Armed Forces General Staff, was responsible for this project. The oaths taken as to the peaceful nature of our space program will probably also appear on the menu at the meetings that U.S. Vice President Al Gore will hold in Brasilia this week. Major General Ajax Barros de Melo, 59, the new director general of the space agency, confirmed the overtures to the United States, saying: "We want to make it plain that we really never had military objectives." The United States acknowledges the blandishments: "The creation of the civilian agency puts relations between the two countries back on track," commented an American diplomat.

There is a clear motive behind these Brazilian signs of good will: a relaxation of the veritable blockade the White House has been imposing on Brazil's space mission. Since the United States suspects that a parallel missile program exists, it has always done everything possible to keep Brazil from accessing the most sensitive technology. One American diplomat told ISTOE that his government went so far as to prohibit the presentation of certain books to Brazilian scientists. A study that the White House commissioned in 1993 from the Rand Corporation, an ultraconservative research institution, concluded that the Brazilian space program is "not economically viable." Unless its true objective were the production of missiles. The skirmishes between the two countries peaked at the end of last year, when Brazil accelerated its participation in a joint program with China for the launching of two observation satellites. At the time, the military command signalled that Brazil might attempt to obtain, from the Chinese and Russians, the special technology denied it by the United States and its allies.

The Brazilian space program calls for the launching of four communications satellites. The first two in the Brasilsat series are already in orbit. It is expected that another will take off in 1995, mounted on the nose of a Brazilian satellite launch vehicle (SLV). The Sino-Brazilian project, in turn, includes the launching of two observation satellites, the first in 1996. "Our space mission has not only created about 5,000 highly specialized jobs, it transferred First World technology to different sectors of civilian industry," said Marcio Barbosa, director of the National Institute of Space Research (INPE) in Sao Jose dos Campos (SP). One of the examples of this technological transfer occurred at the Esca company, of Barueri (SP), which is involved in the Sino-Brazilian satellites project. Esca used the aerospace know-how to develop cheaper plastic bottles for soft drinks.

Even with all the guarantees offered the United States as to the civilian objective of the space mission, there is little possibility that the Brazilian project will get a powerful injection of the latest technology in the near future. "I do not think our potential partners will help us build the SLV," Ajax de Melo said. "We will have to do it right here." And even if it has "adhered to the conditions" of the missiles limitation agreement, there are still doubts that Brazil will actually sign the document, an action that would make the White House more tractable. "There will be no formal signature. We are adults and we will do what Russia and China did, which is simply to declare that we will adhere to the terms of the agreement," the general explained. After enduring spartan budgets when Fernando Collor was president, the SLV is supposed to get US$40 million from the

government between now and 1995. And its development may yet provoke new frictions with the Americans. After all, as Ajax de Melo noted,"if you build a rocket and put it into orbit, you can aim it anywhere you want. We have that capability and the Americans know it. That is what sovereignty is," the officer concluded.

Franco Makes 40th New Cabinet Appointment

94SM0300A Sao Paulo VEJA in Portuguese 9 Mar 94 pp 42, 43

[Article: "Change, Change, Change"]

[Text] Last week, President Itamar Franco made the 40th change in his cabinet. It features shifts like that of the acting minister of a ministry that was going to be abolished who became the permanent minister of a ministry that will be maintained—the case of Leonor Franco, of Social Welfare. A reserve minister became head of a ministry in his own right—Colonel Djalma Morais, of Communications. A former minister with a questionable background was called to hold a portfolio that was to become extinct—Deputy Aluizio Alves of the PMDB [Brazilian Democratic Movement Party], summoned to Regional Integration. The military reinforced the olive-green cordon of Itamar's team by adding General Rubens Bayma Denis, the new transportation minister, and the *tucanos* gained another ministry—the Ministry of Planning—now held by Ceara Senator Beni Veras. In the commotion, former Minister of Transportation Margarida Coimbra even sought support from her mother, in Rio de Janeiro. After phoning her mother Monday night, the former minister wept. "I don't know what is going on out there, I haven't the least idea. Now I am unemployed and have no place to go," a desperate Margarida told Marcelo Auler, VEJA assistant editor in Rio.

The administration did not announce any new plan or new goals as part of the reform, only changes in names. In less than two years, Itamar has made more appointments than former President Jose Sarney did in five years of government (see box). The game of musical chairs brings to a close a reform that has been dragging on for five months. It has accomplished almost nothing, except to reaffirm Itamar's taste for uniformed ministers. The addition of Bayma Denis brings to five the number of top-ranking military officers holding civilian posts at the first and second echelons of the government, The minister of the Strategic Affairs Secretariat is from the Navy—Admiral Mario Cesar Flores. The president of Telebras [Brazilian Telecommunications, Inc.] is from the Air Force—Brigadier General Adyr da Silva. General Romildo Canhim is minister of Administration. Another general, Nilton Moreira Rodrigues, is the head honcho at Sudene [Northeast Development Superintendency]. There are so many top-rank military men in civilian posts that Itamar has surpassed former President Joao Figueiredo, a military man who had only four generals on his team. Itamar also has two high officials who bear the rank of colonel: Djalma Morais, confirmed last week as head of Communications, and Wilson Romao, director of the Federal Police.

[Box p 42]

Numbers from the Tumult

- Itamar replaces an average of two ministers a month.
- In less than two years in office, the president made more appointments than Sarney did in five years—69, compared with 62 for the former president.
- Itamar took office with 15 ministries, created 12, and now has 27. He had 12 acting ministers and one extraordinary one.
- Alexis Stepanenko, now minister of mines and energy, has held three posts in this administration.
- The one who warmed his chair for the shortest time was Wilson Romao. His stay at Agriculture lasted one day.

"I Want a General"

President Itamar decided to appoint Bayma Denis on Tuesday, during a phone conversation with Minister of the Army Zenildo Lucena. "I want a general," Itamar said. "I am not going to allow the cabinet to be the target of birds of prey." By "birds of prey" he meant opportunistic politicians, the technicians connected to economic groups, and the construction contractors. Minister Lucena suggested Denis, who was head of the Military Command of the East from which, two months ago, he dispatched troops to forestall demonstrations at the Rio-Niteroi Bridge. A Rio native, age 64, the general is respected within the Army. He was minister of the Military Household in the Sarney administration.

"Our administration makes no distinction between civilians and military personnel," President Itamar said in Caracas, Venezuela, on Friday. "There are civilians who should hold civilian posts. But there are also military men who can occupy civilian posts, with civilian objectives." As Fernando Henrique Cardoso said during a conversation about the reform with Raul Jungmann, executive secretary of the Ministry of Planning, this is a putt-putt administration. "Putt-putt?" Jungmann wondered. "Yes. It takes two or three months for something to happen. When it does happen, everything changes: the economy, the currency, the ministers...." Minister Alexis Stepanenko, who was shifted from Planning to Mines and Energy—his fourth move within the cabinet—is tired. "I hope they don't move me again," he grumbled. He found out he would be reassigned on Wednesday morning when he got a phone call from Itamar. "You're going to Mines and Energy, O.K.?" [preceding word in English] the president said. "But why? Don't you and Fernando Henrique like my work?" Stepanenko wanted to know. "Best wishes, minister. Best wishes. Ciao," said President Itamar, ending the phone call.

Senator Beni Veras, of the Ceara PSDB [Brazilian Social Democracy Party], went to Planning thanks to his party colleague Fernando Henrique. A former traveling salesman and the son of a tailor, Veras had to struggle to

earn his degree in business administration. As an executive in the Guararapes apparel factory, he never took a vacation or missed a day of work. When fired, he sued the company and used the money he received to set up his own clothing factory, Confex. Soon he became a business leader and participated in the movement that launched Tasso Jereissati as candidate for governor of Ceara in 1986.

Gutsy

For the Ministry of Regional Integration, Itamar went looking for a name in the PMDB. The post had been vacant since the budget scandal broke out and implicated then-Minister Alexandre Costa. The party chose Deputy Aluizio Alves, who was minister of administration under Sarney and once served as governor of Rio Grande do Norte. Aluizio Alves is a choice that comes with a lot of baggage. Along with his son and office manager Aluizio, Alves is accused of igniting a bonfire of improprieties in the ministry, ranging from payments to contractors for projects never built, to disappearance of equipment. The father was indicted in four Federal Police investigations. He was eventually acquitted in three of them. In the remaining one, he is accused of crimes against the public administration. The son has four cases pending against him in the federal courts. "Appointing Aluizio Alves is just another gutsy move by the Itamar government," was the sarcastic comment by Deputy Augusto Carvalho of the PPS [Socialist People's Party] of the Federal District, who plans to requisition information on the minister from the Federal Police, the National Accounting Office, and the Federal Supreme Court.

As minister, Aluizio Alves hired 620 employees in irregular fashion, including six relatives. He was responsible for managing 213 apartment buildings that are occupied by federal civil servants. He took care to hand over the best units to his relatives—one of them measuring 242 square meters and featuring four bedrooms, all renovated with marble. Minister Aluizio Alves is a wealthy man, the owner of a newspaper, a TV station, and five radio stations in Rio Grande do Norte. When he left the Sarney government in 1989, he tried to get himself elected to the Superior Military Court. He won the election, but was never sworn in. The vote in the Senate was annulled when evidence of fraud came to light. Starting Monday, Aluizio Alves will have a budget of 23 billion real cruzeiros to administer.

PT Political Adviser, Official Discuss Program

Lula Program Said Not Socialist

94SM0300B Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Mar 94 pp 1-9

[Interview with Workers Party political adviser Francisco Weffort by Fernando de Barros e Silva; place and date not given—first two paragraphs are FOLHA DE SAO PAULO introduction]

[Text] The PT [Workers Party] has distanced itself from the peoples' movements that gave it birth and become a party of officeholders and internal camps. The diagnosis of the crisis hanging over the PT comes from political scientist Francisco Weffort, 56, a professor at USP [Sao Paulo University] and member of the political council that drafted the platform for Lula's campaign for the presidency.

A founder of the PT, its former secretary general (1984-87), and a former member of its Executive Board (1980-89), at 1500 today Weffort will attend a public meeting at PUC [Pontifical Catholic University] in Sao Paulo, an event convened by intellectual and labor union members who see in the "castling" of the PT leadership a threat to Lula's election. Weffort says he is rooting for the FHC [Fernando Henrique Cardoso] plan.

[Barros e Silva] What do you think of the FHC economic plan, and the administration?

[Weffort] Fernando Henrique is the government. I hope the plan is successful and achieves the stability it seeks. That could be a better starting point from which the next administration can implement a policy of growth. Any reservations one might make at this point are secondary, in my opinion. The policy of "the worse things get, the better" does not help anyone.

[Barros e Silva] The PT calls itself a socialist party. Would a Lula administration pave the way for socialism?

[Weffort] No. Lula's program seeks to democratize and modernize capitalism. This means redistributing income, finally implementing agrarian reform, correcting the imbalances in regional distribution, and carrying out a series of economic reforms, including a reform of the State, that will permit resumption of growth. Brazil is so conservative that the capitalists are unable to democratize capitalism.

[Barros e Silva] What effect does the fact that the most orthodox faction of the party holds a majority of the leadership posts have on the PT program?

[Weffort] I do not know what you mean by "orthodox faction." Orthodox as regards what?

[Barros e Silva] The dogmas of the Left.

[Weffort] That does not exist in the PT. The backwardness people talk about today does not lie with the PT's Left; it is in the eyes of those who are looking at the party. The problem is something else: the PT is a national party that expresses the inequalities and heterogeneities of Brazilian society. One cannot imagine Brazil having a national party of the Left that does not express the protest sentiments that are at work in society. Sometimes the party has trouble understanding certain requirements of development policy in Brazil today.

[Barros e Silva] So what are the party's "blind spots?"

[Weffort] The PT's biggest problem lies in the fact that it ends up making room for some of the corporativism we have in this country. Sometimes you think a fellow is defending the government monopoly on petroleum because he is a radical. Actually he is connected with the corporativist interests in the petroleum business. What passes for radicalism is a sectoralist view of the policy, held by those who cannot see the country as a whole.

[Barros e Silva] Lula's electoral base at this point is larger than that of the PT. If he becomes president, who will govern—Lula, or the party? Does Lula risk becoming a new "savior of the nation," thus reviving the old messianic tradition of Brazilian politics?

[Weffort] It is neither the party nor Lula that will govern. It is the government of alliances that Lula will preside over. Even if he does not forge alliances for purposes of the election, it is clear that he needs to build alliances in order to govern. As regards the messianic tradition, I do not think such a risk exists. Lula is a charismatic leader who has been working for years to build up the institutions. That runs counter to the messianic route.

[Barros e Silva] Is the current configuration of the PT leadership the result of the weakening of the social movements that played a central role in the formation of the party? Has the *petista* culture been lost?

[Weffort] In part this is due to a decline in the ability of the social movements to exert pressure, but mainly it is an expression of the changes in the national political picture. When the PT was born, at the end of the military regime, people were convinced it would be possible to build democracy from the ground up. An antigovernment sentiment was spreading throughout the society. As the dictatorship was on its deathbed, the social movements became weaker, while the channels of representative democracy with its extremely powerful attraction were opening up. The PT threw its grass-roots leaders onto the scenario of representative democracy. The consequence was a certain strangulation of the fellow who simply wanted to be a *petista* militant, the guy who has no political ambitions and does not take part in the internal tussles among the different camps in the party. It is not the leadership's fault.

[Barros e Silva] Has the PT become a party of cadres?

[Weffort] It has become a party of officeholders and internal camps. It has some fairly well-organized partisan factions within it. I am not against this, but I think that by itself this is not enough. You have to have people who are not aligned with any camp and not interested in running for elective office. What is missing are those militants whom we used to call PT-PT, those who do not belong to any faction.

[Barros e Silva] The PT leadership reacted vehemently to the manifesto that called on the militants to discuss the gap between the leadership and the rank and file of the party. As one who signed the text, what do you think of that reaction?

[Weffort] There is a mistake in all that. I signed that text with the intent of discussing how the PT could go back to being a party of the masses. I did not sign off on criticisms of the leadership, and I tell you that if that was the intent, I would not have endorsed it. I believe this could hurt not only Lula's campaign, but the objectives I want to achieve.

[Barros e Silva] What are the PT's boundaries in terms of political alliances during the presidential campaign?

[Weffort] The chances of an alliance during the first round are very limited. Now the chances of an alliance of masses during the runoff are great, if the PT keeps an open mind from now on. In regard to the boundaries, I believe the classical parties of conservatism—the PPR [Progressive Renewal Party], the PFL [Liberal Front Party] and, secondarily, the PTB [Brazilian Labor Party]—are beyond the realm of possibility. Alliances could be formed on the other side.

[Barros e Silva] Even with Quercia?

[Weffort] It is unlikely, but I think it has to be discussed separately. We must not think only of the leaders; we must consider the masses they represent.

[Barros e Silva] Do you concur with the PT leadership's ban against party participation in the constitutional revision?

[Weffort] I think the PT got itself into a mess on that. The party had every right to oppose the revision but, once it was approved, it had a duty to participate. It lost more by not joining the revision than it would have had it taken part, even if it always voted against the changes. Staying out helps isolate a party that needs to leave itself open to alliances.

Falcao Defends Leadership

94SM0300C Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Mar 94 pp 1-9

[Interview with Workers Party Vice President Rui Falcao by Carlos Eduardo Alves; place and date not given—first two paragraphs are FOLHA introduction]

[Text] Since last June, journalist Rui Falcao, 50, has held the political command over the PT [Workers Party] in his hands. A state deputy alternate in Sao Paulo who is himself now holding the seat, Falcao is the man responsible for the PT leadership's swing to the left. A former militant in the PCB [Brazilian Communist Party] and in the VAR-Palmares [Revolutionary Armed Vanguard], the current vice president of the PT was a political prisoner for three years during the military regime.

Falcao defends the legitimacy of the current PT leadership and says the lack of electoral representativeness at the top does not disqualify the leadership in comparison with the previous party officers. Following are the highlights of Falcao's interview with FOLHA.

[Alves] The PT calls itself a socialist party. Would a Lula administration pave the way for socialism, and if so, what would be the content of that socialism?

[Falcao] We define a Lula government as being democratic and people-based. A government of profound social, economic, and political reforms that plans to tackle longstanding privileges and create conditions for the people to participate in drafting the budget, in government decisions, in giving a new direction to the role of the State, and strengthening the organization of Brazilian society. The PT is a socialist party and sees the opportunity to govern the country as the time to change values, raise the consciousness of the public, and democratize land ownership.

[Alves] So it would be a government of transition to socialism?

[Falcao] We want to create democratic conditions so that in the future we can live in a society of fraternity, justice, and equality. In our view, such a society is socialist and democratic.

[Alves] Is the current configuration of the PT leadership the result of the exhaustion of the social movement?

[Falcao] The present leadership is as pluralist and legitimate as its predecessors were. The majority was constituted by capturing a sentiment pervading the party that there was too much distance between sectors of the leadership and the party's rank and file, that there had been indecisiveness in the former leadership's attitude toward the Itamar Franco administration when it was formed, and a certain natural loss of influence of leaders who had spent a lot of time in command of parties.

[Alves] Among the classical schools of thought that founded the PT (the Church, the labor movement, and people from leftist movements), this last group has become superimposed on the others. Why did this happen?

[Falcao] That sounds like a sociological explanation of the life of a party. There is no domination by formative legacies in the composition of the present leadership. Lula, who was mainly responsible for creating the PT, continues to be the expression of party unity, and a democratic fellowship among the different tendencies is what rules the PT today.

[Alves] The groups that now control the PT lack social and electoral representativeness. Why is that?

[Falcao] I would not say they lack social representativeness, inasmuch as several of my fellow leaders are associated with various movements. Electoral representativeness is conferred by the party as a whole. The legislators who serve in the current leadership and all the legislators of the PT were elected by the weight of the party—not to mention their individual qualities. Those who are now in the leadership did not go through the same voting process as their predecessors. But I do not believe this disqualifies, or qualifies, the colleagues who served previously in comparison with the present group, or vice versa.

[Alves] Isn't this a sign that the PT is becoming a party of cadres and not of the masses?

[Falcao] We never defended the idea that the PT should be a party of cadres. Since its foundation, the PT has broken with that tradition of the Brazilian Left. We believe that just because a party organizes millions of workers and common people, it does not mean that political cadres, organic intellectuals, are not developing.

[Alves] Lula's electoral base is greater than what the PT has historically achieved. If he is elected, will the mandate be his, or the PT's?

[Falcao] The president's mandate comes from the people, but it reflects a commitment to a program. It is that relationship that we establish so that there will be no doubt. It is a mandate from the people, but one that is also legitimized by the fulfillment of a program.

[Alves] In case of doubt, will Lula, or the PT, make the decision?

[Falcao] The one who governs this country is the president of the Republic, and his ministers, in conjunction with the Congress. We want to expand that concept of democracy by having the population not just vote, but be able to participate in the control over the government and in government decisions.

[Alves] What are the PT's boundaries in terms of alliances during the campaign?

[Falcao] Our policy as regards alliances must be coordinated with our program. We put priority on alliances in society and also with parties. The PCB [Brazilian Communist Party], the PC do B [Communist Party of Brazil], the PSB [Brazilian Socialist Party], the PPS [Socialist People's Party], the PV [Vanguard Party], the PMN [National Mobilization Party], and the PSTU [United Social Workers Party] are possibilities. The PSDB [Brazilian Social Democracy Party] is disputed territory. We recognize that the PSDB has a people's camp within its electorate and among its troops, and we are competing for the support of part of the PSDB for Lula's candidacy, even though we know the PSDB will run its own candidate for president, riding piggyback on a stabilization plan, something that is in the worst tradition of Brazilian politics.

[Alves] What do you think of Minister Fernando Henrique Cardoso as a candidate, and what about the economic plan?

[Falcao] The economic plan does not deal with the issue of the monopolies and the financial system. It does not associate stabilization with the need for development of this country; therefore, we might actually move into a situation of declining inflation rates but still have unemployment and misery. In the third place, it ties the

country's economic decisions to the United States and to the IMF via a shamefaced dollarization of the Brazilian economy. In the fourth place, it is an electioneering program because it is betting on the possibility of a partial and temporary decline in the inflation rate to pay dividends at the ballot box. It is a Cruzado Plan without a wage bonus.

[Alves] Now that the constitutional revision is a fact, is there any regret that the PT is absent from it?

[Falcao] I do not consider the revision to be a consolidated process. What we are seeing now is an auction. There is dissent even among the elites as to the course the revision should take. We have maintained a tactic of obstruction, of attempting to reduce the boundaries of the revision and to shorten its duration. If the revision process does get going, we hope to achieve the longest possible agenda and a change in the rules so that our deputies can get involved in the process.

[Alves] How do you view the manifesto by the intellectuals who criticized the party leadership by pointing to a distance between it and the PT grass roots?

[Falcao] Any group of PT members may legitimately band together and express themselves either against or in favor of the leaders. I cannot, however, agree with their view of the current PT leadership. This leadership is legitimate, and there are other intellectuals who support it.

Chile

Roundup of Economic Reports

PY0804015694

[Editorial Report] The following is a compilation of reports on economic activities monitored through 7 April.

Brazilian and Chilean Foreign Ministers Celso Amorim and Carlos Figueroa signed the "Agreement on Promotion and Reciprocal Protection of Investments" at the end of the Rio Group meeting held in Rio de Janeiro on 22 March. The agreement seeks to create favorable conditions for intensifying bilateral economic cooperation, and especially for granting fair and equal treatment to investors in the respective countries. (Santiago ESTRATEGIA in Spanish 23 Mar 94 p 7)

The Chilean trade balance registered a $101.3 million surplus in February, with exports at $737.2 million and imports at $635.9 million. The cumulative surplus for the year's first two months was $68.6 million, compared with the same period in 1993 when there was a deficit of $220.7 million. (Santiago ESTRATEGIA in Spanish 24 Mar 94 p 4)

The Central Bank reported that the GDP increased 6 percent in 1993, and that the sectors that contributed most to the economic growth were construction, with 14 percent; commerce, restaurants, and hotels, 8.7 percent; transport and communication, 7.9 percent; and financial services, 7.1 percent. (Santiago EL MERCURIO in Spanish 24 Mar 94 pp A1, A12)

The Consumer Price Index stood at 1.1 percent in March. Accrued inflation so far this year stands at 2.5 percent. The hike in public utility rates, coupled with an increase in school fees, caused the inflation rate to exceed the estimates for the first quarter of the year. (Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 7 Apr 94)

Colombia

Justice Minister Rejects Kerry's Statements

PA1104134594 Paris AFP in Spanish 0440 GMT 11 Apr 94

[Text] Santa Fe de Bogota, 10 Apr (AFP)—Colombian Justice Minister Andres Gonzalez admitted on Sunday that the sentences given to those who surrender to justice should be tougher, but he denied U.S. allegations that Colombia is a "narcodemocracy."

In an interview with Caracol Radio Network, Gonzalez denied assertions that the current Colombian legal system is a "narcocode." Just as the Attorney General's Office, the Prosecutor General's Office, and the Supreme Court have been saying, the minister admitted that the code requires immediate changes, especially regarding sentences given to drug traffickers.

Gonzalez insisted that despite the success of the policy to get drug traffickers to surrender, the law can still be improved. He said the code, contrary to what some groups are saying, does not grant automatic benefits to drug cartels and establishes discretionary mechanisms that allow authorities to impose strict sentences.

The minister said that the recent differences regarding sentences given to certain criminals arose because of problems in the way the sentences were applied and the interpretation of norms. The minister, however, refrained from identifying the reasons for the problems. He also described as unacceptable statements made by U.S. Senator John Kerry that Colombia is a "narcodemocracy" and said that "Colombia is a democracy that grows stronger each year, a democracy that has made huge sacrifices to fight organized crime, terrorism, and drugs."

Business Leaders Reject Charges

PA1004190494 Santa Fe de Bogota EL TIEMPO in Spanish 8 Apr 94 p 15A

[Text] On 7 April, key national union leaders categorically rejected remarks by the U.S. State Department and, in particular, an article by U.S. Senator John Kerry in THE WASHINGTON POST, in which Kerry says Colombia is a "narcodemocracy" and its economy is pervaded by mafia activities.

Spokesmen for the banking, industrial, and coffee sectors issued statements yesterday from Cartagena, site of a banking convention.

One of the first statements was issued by Carlos Arturo Angel, president of the National Association of Industrialists, who pointed out that economies throughout the world are pervaded by drug trafficking and that Colombia is not a special case.

Angel stated: "We are a small part of a huge business which, among other things, conducts a substantial share of its operations in industrialized countries, and especially in the United States." Angel also asserted that U.S. laws have benefited drug traffickers.

Cesar Gonzalez, president of the Association of Financial Institutions, expressed his confusion about these charges, and he conveyed his confidence that these comments do not represent a widespread view or the view of the U.S. Government or Congress.

He noted: "The United States has viewed the countries that are south of the Rio Grande as one huge hacienda, and it believes it can submit these nations to its will."

Gonzalez Munoz pointed to the efforts Colombia has made to fight drug trafficking and the price it has paid in its fight against organized crime, and he added that this is why he believes remarks by some U.S. officials are less than appropriate.

Gonzalez added: "The existence of drug money in the economy cannot be denied, but this also happens in the United States."

Gabriel Rosas Vega, president of the Association of Coffee Exporters, also rejected Senator Kerry's remarks. Rosas indicated that the United States has no moral authority to call us into question because U.S. banks, both large and small, handle drug money.

More Reactions

Rosas Vega said "we cannot bite our tongues" and avoid saying the United States is not morally qualified to speak on the subject.

Carlos Caballero Argaez, president of the Bank of Foreign Trade, noted that the problem "must be examined from its true perspective, which is that Colombia's situation cannot be viewed only in the light of drug trafficking activities when its economy depends on and is rooted in traditional exports of oil, coffee, ferronickel, and so on."

Last, Labor Minister Jose Elias Melo said that Senator Kerry's opinion shows total ignorance of the recent progress of the Colombian economy. He stated: "The fact that he has finally noticed Colombia's recent strength and development does not mean that this progress stems from drug activities; on the contrary, it comes from the hard work of Colombian businessmen and workers."

Melo added that efforts are being made to prevent money laundering, and these efforts must be perceived in a better light when viewed from abroad.

Candidate Wants U.S. To Clarify Drug Money Claims

PA1004172294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 10 Apr 94

[From the "TV Today" newscast]

[Text] Tonight, Andres Pastrana sent a letter to 17 other presidential candidates, asking them to demand clarification from the U.S. State Department regarding recent statements in connection with the use of drug money in the current election campaign. In his letter, Pastrana says these statements are very serious, and, therefore, all candidates are obliged to request that specific charges be made, including details on which campaigns allegedly received such money and the origin of any such funds.

Study Questions Cuba's Ability To Pay for Oil

PA0704222194 Santa Fe de Bogota EL TIEMPO in Spanish 2 Apr 94 p 2C

[Text] All indications point to the fact that Cuba will not be able to offer the necessary guarantees to buy approximately 20,000 barrels of oil per day [bpd] from Colombia. Such a deal can only be carried out if the Cuban Government offers a letter of credit to Colombia—that is, if an international bank finances its debt.

According to a study to which EL TIEMPO has gained access, the banks are not interested in backing Cuban debts. In fact, countries such as Iran and Libya suspended their supply of crude because of a lack of financial guarantees.

Although the situation improved somewhat after Russia resumed the commercial exchange of oil with Cuba in January 1994, Cuba still is not in any position to pay for imports. Russia will sell Cuba 4.0 million tons of unrefined crude in exchange for 1.5 million tons of sugar this year.

The government of Fidel Castro prefers to offer Colombia a three-way exchange system. This means that the companies to which Cuba sells sugar would, in turn, pay Colombia for the crude. Many of the countries that receive sugar in exchange for oil have suspended these kinds of deals because of Cuba's enormous debts and because there is a surplus of sugar, and future production is in jeopardy. This suspension of imports heightens the already difficult energy situation. Cuba only has resources to supply 40 percent of its oil needs.

Even with Colombian oil, the crisis would not be resolved. Rather than crude, what Cuba needs is fuel, particularly fuel oil and diesel, to generate electricity and to compensate for its lack of hydraulic sources of power. This is because Cuban refineries are also in a state of crisis.

The plants in Havana and Santiago (built by Exxon and Shell) reportedly produce 30,000 bpd but are currently at a standstill. The Havana plant requires investments in the order of $100 million, while the Santiago plant needs a $75 million investment to operate efficiently. Another Soviet-built plant, with the same capacity, and another located in Matanzas (which reportedly generates 5,000 bpd) are also at a standstill because of a lack of maintenance.

The new refinery located in Cienfuegos has the capacity to produce 60,000 bpd, but it is not operational right now and requires an investment of approximately $200 million to produce commercially viable gasoline.

Difficulties in generating electricity have forced Cuba to obtain gasoline through four international companies (Marc Rich, Vitol, Mabanet, and Totisa) which receive sugar and nickel as payment for their exports. According to the document, however, even refined imports have been reduced. These are now limited to the volumes of sugar and nickel that Cuba can offer. For this reason, the document questions Colombia's willingness to sell oil to Cuba "while other countries have decided to suspend sales."

President Meets With Opponent of Cuba's Castro

PA0804201494 Madrid EFE in Spanish 2023 GMT 7 Apr 94

[Text] Santa Fe de Bogota, 7 Apr (EFE)—President Cesar Gaviria Trujillo met in his office today with Cuban Castro opponent Jorge Mas Canosa, sources at the Colombian presidential palace confirmed to EFE.

Gaviria had an hour-long talk with Mas Canosa, and, according to the delegation of Cuban exiles, they discussed the sale of Colombian oil to Cuba, which anti-Castro groups have strongly criticized.

According to Mas Canosa's retinue, they also analyzed the future of relations between Cuba and the United States in the wake of Gaviria's election to the post of OAS secretary general on 27 March.

Two weeks ago, Huber Matos, head of the Independent and Democratic Cuba [Independent and Democratic Cuba—CID] movement visited Colombia to request suspension of the oil sale to Castro's government, but he did not meet with Gaviria, because, he said, he was not expecting to be received by "Castro's pals."

Matos, one of the commanders of the triumphant 1959 revolution, which Castro now heads, said the oil sale means the rupture of the economic embargo the United States imposed on Cuba 30 years ago.

Colombia announced it will supply approximately 20,000 barrels of crude a day to Cuba starting in July, under the condition Cuba guarantees the operation with the corresponding letters of credit. Castro opponents oppose the transaction, however, and threaten to boycott Colombian products in the United States.

Armed Forces Disagree With General's Sentence

PA1104164494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 10 Apr 94

[From the "TV Today" newscast]

[Text] Major General Hernan Jose Guzman, Army commander, said that Armed Forces members will obey the sentence given by the Attorney General's Office to General Jesus Armando Arias Cabrales for his conduct in the Justice Palace takeover, but they do not agree with it.

[Begin Guzman recording] We do not think it is right that those of us who defend the nation on the front line are also the ones who are punished. [end recording]

Guyanese President Conducts Three-Day Visit

PA0904005594 Santa Fe de Bogota EL TIEMPO in Spanish 4 Apr 94 p 7A

[Text] Guyanese President Cheddi Jagan said yesterday that the OAS, under the leadership of Cesar Gaviria, will have a greater vigor and dynamics and will recover its role as an inter-American democratic forum.

Jagan, who arrived in the country yesterday to initiate a three-day official visit, said his country is pleased to have contributed to the election of his Colombian colleague as new OAS secretary general. "Even though we recognize the job done by the OAS during all these years, we hope the presence of President Gaviria will add a greater dynamics and leadership to OAS actions," the distinguished visitor said during a dialogue with journalists, who waited for him at the Military Transportation Air Command. Jagan, who arrived in Santa Fe de Bogota in a Fokker jet belonging to the Colombian Presidency, was received by Foreign Minister Noemi Sanin de Rubio.

The Guyanese president said he believes his visit will go beyond protocol and will yield fruitful results in the field of integration. He also said he hopes the visit will serve to "expand relations between the two countries." Jagan also had words of praise for the Colombian foreign minister and said he is convinced that her personality and her work helped President Gaviria win the votes he needed to be elected to the OAS.

Jagan was accompanied by various cabinet ministers, a group of specialists in technical cooperation, and a team of private sector businessmen. The official schedule includes tours to the cities of Cartagena and Cali to visit the Cementos del Caribe processing plant and sugar mills, respectively.

Following their meeting with President Gaviria, each one of the groups that accompany the Guyanese president will meet with their counterparts to discuss topics of bilateral interest, including trade and cooperation in the areas of health, agriculture, education, electric energy, and tourism.

A Good Associate

Meanwhile, Foreign Minister Noemi Sanin said she hopes to consolidate excellent relations with Guyana, a country called upon to become one of Colombia's best associates. "It has a been a country with which we have been building very strong relations. It has been wonderful for me to have found, in my latest visits, a country so full of opportunities with which we can truly integrate," she said.

The foreign minister talked about other topics and said there is no reason why Colombia should apologize to the Cuban Government over the recent episode regarding the alleged guerrilla summit in that country. On this topic, she noted that the Foreign Ministry abided by the reports provided by the Prosecutor General's Office, adding that she always said there were "indications," but no definitive conclusions over the topic. She said she was pleased to see that Bishop Nel Beltran had come out unscathed in this incident, "because the Foreign Ministry always trusted him."

Discusses Drug Trafficking

PA1104152594 Santa Fe de Bogota EL TIEMPO in Spanish 6 Apr 94 p 7a

[Text] Guyanese President Cheddi Jagan expressed concern over increased drug trafficking in Guyana and said that he was visiting Colombia with a high-raking police official who has been entrusted with learning how to fight this scourge.

"We are a little scared about the growing threat of drug trafficking through Guyana, especially cocaine, which probably comes from Colombia through Venezuela," Jagan said today. He is on the last day of his visit.

Jagan yesterday signed with President Cesar Gaviria a joint declaration agreeing to establish an official, private binational council to develop various aspects of the relationship.

The Guyanese president yesterday visited the Cementos del Caribe cement factory on the Atlantic Coast and the sugar industry in Valle Department. Guyana is interested in both products.

Exchange Agreements Reached With Argentine Army

PA0704140094 Santa Fe de Bogota EL TIEMPO in Spanish 3 Apr 94 p 16

[Text] During General Martin Balza's official three-day visit, the Colombian and Argentine Armies reached educational exchange agreements in the military sector.

Balza and General Hernan Jose Guzman, Colombian Army commander, set dates for visits to Colombia and Argentina by high-ranking staff officers of both armies and established a student exchange program for advanced military courses.

Thus, in principle, two Argentine officers will arrive soon in Colombia to take lancers courses and other military disciplines, while two Colombian officers will travel to Argentina for an advanced military intelligence course and other advanced studies.

In addition, the Colombian Army commander is scheduled to officially visit the Argentine Army headquarters in late June.

Balza praised the good relations between the two forces, saying: "We must try to achieve greater cooperation through mutually beneficial agreements. We do not have to gain each other's confidence, because we already have it."

Roundup of Electoral Developments

PA0704201594

[Editorial Report] The following is a compilation of reports on developments related to the Colombian elections scheduled for 29 May.

Former Justice Minister Enrique Parejo Gonzalez, presidential candidate of the National Democratic Alternative (Alternative Democratica Nacional), has asked President Cesar Gaviria to appoint an international supervisory board for the elections. In a letter to the president, Parejo has said candidates Samper and Pastrana "maintain a monopoly over the media while the other candidates are discriminated against, in open violation of constitutional provisions." He has also charged state resources are being diverted for electoral purposes and in favor of the two major candidates. (Santa Fe de Bogota EL TIEMPO in Spanish 27 March 94 p 7A)

During his recent visit to Miami during Holy Week, Andres Pastrana, New Democratic Force (NFD) presidential candidate, reiterated his criticism against reestablishing relations with Cuba. He said: "I do not think it was the right time for Colombia and Cuba to reestablish relations. I maintain that position, because when President Castro visited Colombia, all ?he reporters of Colombia and the world asked him if he condemned the armed struggle, and a condemnation of the Colombian guerrillas never came out of his lips." Pastrana also said Colombia should seek the means to join NAFTA, because it would increase foreign investments and help the country compete in international markets. (Santa Fe de Bogota EL TIEMPO in Spanish 2 April 94 p 6A)

Liberal Party (PL) candidate Ernesto Samper has said in Cartagena that recent expressions of support for him from Christian, black, and conservative groups show that people are convinced his campaign "is a serious and organized option." He has said his proposal?to the country is that of "social capitalism which considers people," while that of Pastrana is of "brutal capitalism." (Santa Fe de Bogota EL TIEMPO in Spanish 28 March 94 p 6A)

In an interview by Bibiana Mercado, Antonio Navarro Wolff, presidential candidate of the 19 April Movement Democratic Alliance (AD/M-19), has said he is sure his organization will,come ?n t?ird place?in the elections. Regarding the AD/M-19?s d?feat in t?e 13 March legislative elections, Navarro said i? taught him "obe has to hear?the people's voice which tells us we are not doing things right. We hav? to correct our cou?se, and?we are doing so by? Bmong other things, admitting there is a need for clear positions and for a message of definite change." He den?ea if there is a runoff between [??]didates Samper and Pastrana, he would call for blank votes, saying "if I agreed with casting blan votes, I would not have registered as a presidential candidate." Asked if he is afraid the AD/M-19 might disappear, he said: "I am sure the AD will continue to live. I think the essential thing is to understand that we must go to the local e?ections with much strength." (Santa Fe de Bogota E? TIEMPO in Spanis? 27 March 94 p ?A)

Gabriel Borja, spokesman?of the Socialist Renewal Movement, CRS, has said the group will test its support by promoting a campaign for blank votes in the presidential elections. He has said the CRS has ruled out the possibility of supporting any presidential candidate, including Navarro Wolff. The spokesman of the CRS, which will give up its weapons and demobilize on 9 April, has said "the campaign for blank votes is a protest against bipartisanship, corruption, and the government's disastrous handling of the economy." (Hamburg DPA in Spanish 2015 GMT 2 April 94)

A poll by the firm Centro Nacional de Consultoria taken between 25 and 27 March in the urban areas of 40 municipalities showed "if the 29 May elections were held today, Ernesto Samper would obtain 49 percent of the votes and Andres Pastrana, 41 percent." It also showed that although Navarro Wolff is in third place, only four percent would vote for him. (Santa Fe de Bogota EL TIEMPO in Spanish 30 March 94 p 8A)

Roundup of Guerrilla Activities

PA0704223394

[Editorial Report] The following is a compilation of reports on Colombian guerrilla activities monitored through 4 April.

Two police officers were killed when a two-kg explosive device launched against the home of Fabio Ospina Giraldo, former secretary of the Administrative Services of the Valle Governorship, exploded in southern Cali. This is the second time that police officers assigned to protect Ospina have been killed. (Santa Fe de Bogota EL TIEMPO in Spanish 30 March 94 p 8a)

The Revolutionary Armed Forces of Colombia's (FARC) 12th Front burned 27 new vehicles being transported by car carriers on the Barrancabermeja-Puerto Araujo highway. Subversive checkpoints have appeared throughout the department. Military units in armored vehicles initiated an intense sweep operation where daily the guerrillas' actions cause significant losses to the transportation sector. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 31 March 94)

Army troops supported by helicopters attempted yesterday to encounter two guerrilla commandos that last Friday attacked two military patrols in Boyaca and Cesar, leaving eight dead soldiers and 11 wounded. Meanwhile, on 26 March ELN (Army of National Liberation) rebels dynamited once more the Cano Limon-Covenas oil pipeline at the Km 60 marker in Arauquita Municipality. As a result pumping was halted although it was resumed yesterday. In Bogota, the XIII Brigade uncovered a secret factory of guerrilla uniforms. (Santa Fe de Bogota EL TIEMPO in Spanish 27 March 94 p 19a)

Pedro Jose Chavarria David, alias "Colacho" or "El Mono," third man of the dissolved Popular Liberation Army's (EPL) dissident movement, was captured together with two other persons in a Medellin neighborhood, official sources reported today. The sources said that Chavarria is in charge of the finances of the EPL's dissident movement, which is comprised of 150 men who operate in the Antioquia, Risaralda, and Caldas departments. (Madrid EFE in Spanish 1637 GMT 1 April 94)

The Colombian Government today blamed FARC for the murder of Prospero Merino, councilman and political leader of the Caribbean community in Cienaga, Magdalena Department, in an attempt to hamper the 29 May presidential elections. Merino was shot in a small town outside Cienaga by five men who also killed Luis Sanchez accompanying him while two others were wounded. (Hamburg DPA in Spanish 1535 GMT 3 April 94)

Army sources disclosed an alleged terrorist plan by the guerrilla against several government institutions at the Narino Department. Authorities confirmed that at the former Public Works Ministry's camp were seized 230 kg of dynamite, 1,250 meters of slow fuse, as well as maps of institutions to be allegedly attacked by the Farc's 29th Front. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 4 April 94)

On 30 March, guerrillas set 27 new cars and the trailer in which they were being transported on the Pan-American Highway near Barrancabermeja. In addition, a bus—which was carrying no passengers—was also destroyed on the road between Bucaramanga and Maicao. It was also reported that during the past few hours army troops killed seven FARC and ELN guerrillas during clashes in Santander and Putumayo. (Santa Fe de Bogota EL TIEMPO in Spanish 2 April 94 pp 1A, 8A)

Two presumed FARC guerrillas were killed on 1 April during clashes in the rural area of Sampues, Sucre Department. The Army confiscated a .38-caliber revolver, a .9-mm pistol, ammunition, and subversive propaganda. (Santa Fe de Bogota EL TIEMPO in Spanish 3 April 94 p 16A)

Paraguay

Government To Reject Relations With Cuba

PY1104205894 Asuncion ULTIMA HORA in Spanish 11 Apr 94 p 12

[Text] President Juan Carlos Wasmosy's government categorically rejects diplomatic relations with Cuba. Our doors will, therefore, remain closed to any initiative in that direction.

Foreign Minister Luis Maria Ramirez Boettner said this morning that our country will not change its position over that Caribbean island despite Cuban Foreign Minister Roberto Robaina's visit to our country on 15 and 16 April.

Following a meeting with the president at government palace, Ramirez Boettner said Paraguay is only interested in commercial contacts within the framework of Mercosur [Common Market of the South].

"Our position continues unchanged. Paraguay has not changed its position over Cuba. We will receive him to talk about Mercosur and trade matters," said Ramirez Boettner. The foreign minister added that Robaina and his entourage will make an unofficial visit to the country because we do not have diplomatic relations with the island. Ramirez Boettner added that Paraguay is very interested in talking about Mercosur, particularly because Robaina will be arriving here after visiting the other three Mercosur member countries.

Ramirez Boettner said he will depart for Marrakech, Morocco, tomorrow and will not be in the country during Robaina's visit. Robaina will be received by Deputy Foreign Minister Oscar Cabello Sarubbi. The foreign minister said Wasmosy will not receive the Cuban foreign minister either. "I do not think he (Wasmosy) will receive him because his visit is unofficial," the foreign minister noted. Robaina wants to talk about Mercosur so perhaps he will also meet with Industry and Commerce Minister Ubaldo Scavone.

An interesting detail is that no government official is scheduled to meet Robaina at the airport.

Chamber of Deputies To Interrogate Minister

PY0804182794 Asuncion ABC COLOR in Spanish 8 Apr 94 p 2

[Excerpt] The Chamber of Deputies yesterday decided by a wide margin to approve a request presented by Deputy Luis Alberto Mauro to interrogate Justice and Labor Minister Juan Manuel Morales. The questionnaire the minister will have to answer has, in principle, nine questions, but other questions may be added during the questioning session. Colorado Party followers tried to prevent the interrogation, but the opposition remained firm and imposed their majority. [passage omitted]

Armed Forces Deny Restriction of Press Freedom

PY0804184994 Asuncion NOTICIAS in Spanish 7 Apr 94 p 19

[Text] Deputy Sergio Lopez, a member of the Chamber of Deputies Defense Committee, yesterday visited the Armed Forces Command building where he met with Colonel Carlos Medina Monjagata, the Military Forces' public relations director.

Lopez was accompanied by Deputy Carlos Riveros and Senator Fernando Pfannl. The visitors wanted to clarify the incident on 5 April when NOTICIAS photographer Ismael Villalba was held for one hour after he committed "the sin" of photographing a conversation between Lopez and soldier Crispulo Sanchez.

A captain whose last name is Galeano and other two officers were also arrested as a consequence of this incident.

"The colonel told us there had been a misunderstanding in the case of the reporter and explained that the Armed Forces does not intend to restrict freedom of the press," the deputy said.

Regarding the arrest of the captain and the other officers, the colonel said they were arrested for not carrying out the already famous "order from above." The deputy, however, could not say who gave that order.

"It seems that the order was that I could not speak with the soldier either despite the colonel's remark that the soldier was at my disposal. Those were the two reasons for the arrest of Galeano and his comrades," the deputy said.

National Encounter Elects New Executive Board

PY0804180894 Asuncion ABC COLOR in Spanish 8 Apr 94 p 10

[Excerpts] The Electoral Court of the National Encounter Alliance [EN] yesterday announced the new EN authorities elected during the 27 March elections. Complementary elections will be carried out in Canindeyu and San Pedro Departments on 17 April. The new executive will take over on 10 April during the EN convention.

The Electoral Court officially placed Guillermo Caballero Vargas as the new EN general coordinator, and Mario Paz Castaing and Maria Victoria Brusquetti as assistant coordinators.

The court also confirmed the election of the new members of the executive board and their respective places according to the D'hont proportional system.

The result of some polling stations had to be annulled and the election in San Pedro de Ycuamandiyu and Canindeyu had to be suspended. The Electoral Court

stated that, apart from these obstacles, the election process was clear and ended successfully. [passage omitted]

Official list of New EN Executive Board:

General Coordinator: Guillermo Caballero Vargas
Assistant Coordinators: Mario Paz Castaing and Maria Brusquetti

National members:

Oscar Codas
Diego Abente
Luis A. Mauro
Dila Estigarribia
Marcelo Duarte
Carlos Martini
Cesar Baez Samaniego
Desiree Masi
Carlos Peralta
Raul Ayala
Cecilia de Fernandez
Ursino Barrios
Gladys Maubet
Atilio Roig
Juan Caballero
Alejandro Guanes
Guillermo Stanley
Juan Fernando Kurz
Rafael Filizzola

Commentary Sees Limited Coup Possibilities

PY0904015294 Asuncion ULTIMA HORA in Spanish 8 Apr 94 pp 14-15

[Article by Carlos Martini: "Why a Coup d'Etat?"]

[Text] There was a time when the hazard was real: on Saturday, 2 January 1993 (just 3 days after the Electoral Court of the ANR [National Republican Association—Colorado Party] released unofficial data giving the victory to the Argana-Ybanez ticket [for the Colorado Party presidential nomination] as opposed to the ticket supported by General Oviedo). On other occasions, the rumors were mere speculation.

Moreover, in the case of Paraguay, the risk of an interruption, or even the reversal of the democratic process, cannot be rejected. But today the possibilities for a traditional coup are very few. This is not, however, because of the democratic characteristics of a certain protagonist who could head a military revolt. Oviedo has proven, with sufficient evidence, that democratic norms and procedures are dead letters for him. But he is aware that it is not suitable—nor does he right now have the reasons to do so—to interrupt the process. He has the necessary power to allow him to project himself into the future. The fact is that he is one of the powers behind the government. The current and inconclusive transitional scenario permits this play of parallel powers. Referring to the current scenario, Diego Abente Brun says: "Civilian and political freedom will presumably be maintained and expanded, but the contest to guarantee that the election results will not endanger the hegemony of the military and/or the governing party will be limited. This scenario of continuous and gradual liberalization is what at other times has been called restrictive democracy." ("Scenarios for the Future" in Abente Brun, Diego (compiler), "Paraguay in Transition." Caracas, Nueva Sociedad, 1993, page 234).

Eternal Transition

In other words, and in this respect, an inconclusive transition and restrictive democracy are one and the same. Abente Brun's description corresponds to the phase that we are now experiencing. But what is even more worrying is the fact that it is a scenario that can be projected to 1996 [municipal elections] and 1998 [presidential elections] if certain substantial changes do not occur in the judicial branch and the Armed Forces. If the two branches are not purged of party politics, especially the Electoral Court, the 1998 elections could be a repetition, even including an improved version of its vices, of what happened in 1993. Therefore, from the perspective of those who are trying to outline the game plan for the current power elite for the years after 1998, the most important thing is not a coup d'etat (it would cause many problems with the international community: read loans). They will try to overcome all possible obstacles in an attempt to ensure that there are no institutions that will effectively guarantee the free play of democracy, but will maintain the facade and sufficient public freedom in order to legitimize themselves in the external spheres.

Therefore, the central theme for completing the transition does not reside so much in the risk of a coup d'etat, at least not under current circumstances. The axis of the debate should be centered on the mechanisms that favor the adapting of certain institutions and leaderships to democratic conditions. And it is here where we have the risks, as we have said above, of bogging down. The changes in the judicial branch do not favor the creation of a favorable atmosphere for that democratic institutionalization.

The Agendas Blend

Since mid-February the social agenda, which has been repeatedly announced in previous evaluations, has been added to this inconclusive political transition. From that date we now find ourselves in a time of key definitions. On the one hand it, is a question of trying to close the political transition agenda, and on the other, and at the same time, undertake public social policies that will include the poorest sectors.

But neither the political nor the social agenda can be undertaken by just one political protagonist. And much less so can this protagonist come from the Colorado Party, which lacks stability in its leadership and which has a minority in Congress, in addition to the split due to

the dissidence of the Argana faction. The scenario calls for a policy of basic consensus. But we return to the beginning; during this phase, the basic consensus must include priority for drastic changes in the judicial branch and modifications in certain leaderships in the Armed Forces. If the Liberals [Authentic Liberal Radical Party] and National Encounter accept any type of agreement without clear demands and commitments that will be complied with (as opposed to what President Wasmosy did with the 13 January [1994] "democratic commitment"), then they will be betting in favor of strengthening restrictive democracy and in the medium term for maintenance of the invisible powers.

Commentary Views Drug Traffic Route to Brazil

PY1204002694 Asuncion ABC COLOR in Spanish 11 Apr 94 p 29

[Article by Vladimir Jara V.: "Cocaine Riders Take Root in Paraguay"]

[Text] The seizure of two kilos of very pure cocaine by the antinarcotics police last week pales into insignificance when compared with the 60 small planes loaded with cocaine that depart daily from our territory for Brazil.

This comparison clearly establishes the great difference between the power of the police and that of the mafia organizations, which have taken root in our country, are a reality, and not even the police or the government can do anything against them.

It has been known for a long time—as prophesied by U.S. Embassy experts and even the police—that Paraguay is a point of transit for cocaine on its way to the great underground markets of the American continent and Europe.

It is known that there are clandestine airstrips in the hills of Amambay, Alto Parana, Canindeyu, and throughout the Chaco region.

The absence of insufficient action by the government has allowed the establishment in Paraguay of contacts for the Colombian and Bolivian mafia groups that make huge profits from cocaine.

This lack of action by the government, not just the current administration but also previous ones, has made Paraguay—in everybody's eyes—a great shelter for criminals and the center of large illegal negotiations.

The Brazilians now surprise us with concrete information that Colombian and Bolivian drug barons are using our territory to land, reload their illegal shipments, and calmly depart for the Brazilian markets.

At least 60 small planes depart from our country every day, carrying cocaine to Brazil. This is alarming.

Is it possible that this number of flights could occur without the knowledge of our authorities—be they the police, the National Directorate for Civilian Aviation, or even the Armed Forces themselves? We doubt it.

The concrete issue of all this is that the lack of government action has allowed traffickers to definitively take root in our country, turning it into a drug corridor. The appropriate measures were not taken in time; but not because they were unaware of the problem.

Peru

Cuba's Robaina Comments on Returning to OAS

PY1204030694 Madrid EFE in Spanish 0039 GMT 12 Apr 94

[Text] Lima, 11 Apr (EFE)—Cuban Foreign Minister Roberto Robaina said today that Cuba will not raise any obstacles to returning to the OAS if the members ask for it.

Cuba was expelled from the OAS in 1962 at the request of the United States. Cuba has taken a very harsh attitude since then to this organization, which it labeled the "U.S. Ministry of Colonies."

Robaina said that "nothing can be evaluated in the same manner after 30 years," and that the Latin American countries also are not "under the same conditions they were three decades ago in relation to the OAS."

Robaina added: "Independently of the fact that the United States remains the same, which is something I cannot evaluate, I believe Latin America is not the same as 30 years ago. Therefore, the OAS can be an organization where Latin Americans can discuss their problems in an open, frank, and sincere manner."

He said: "If this is achieved by the OAS, by [Secretary General-elect] Gaviria, we would have nothing against it."

In reference to an eventual return of his country to that Latin American forum, Robaina said his country "has nothing to negotiate" and also does not demand that Cuba be allowed to return.

Robaina said: "We were unjustly expelled from it and we will return to it if voices emerge, like the ones now emerging, proposing the idea that the OAS must be with Cuba and not without Cuba."

He said: "If that idea becomes a reality, my country will raise no obstacles."

Regarding relations with Peru, Robaina said that "they are normal but we should strengthen them and not resign ourselves to historic relations," in allusion to the participation of Peruvians in the war for Cuban independence.

He added: "Strengthening relations means agreements like the one we signed today, visits like this one, visits we expect to receive in Cuba, and trade and economic agreements to put our relations at that historic level."

Robaina today signed with his Peruvian counterpart, Efrain Goldenberg, an agreement on customs cooperation and another on the struggle against drug trafficking.

Before the meeting, Robaina met about 200 Peruvian businessmen whom he invited to invest in Cuba after explaining the incentives offered by his country for foreign investment.

In the afternoon, Robaina was received by Jaime Yoshiyama, president of Congress and vice president of the Republic. Robaina also met Industry, Tourism, and Integration Minister Liliana Canale.

Tomorrow Robaina will pursue private activities and on 13 April he will leave for Paraguay to continue his South American tour that started last week in Uruguay and includes Argentina.

Foreign Minister Discusses Trade With Malaysia

PY0804204994 Lima EL PERUANO in Spanish 26 Mar 94 p A2

[Text] When he returns from Malaysia, Peruvian Foreign Minister Efrain Goldenberg will convey that government's interest in signing with Peru an agreement for mutual promotion and protection in their capacity as member countries of multilateral Pacific organizations.

According to information disclosed by the Foreign Ministry, the two countries have also decided to sign an agreement eliminating the need for visas.

The president of the Council of Ministers and foreign minister is currently in Washington, where he will participate in the election tomorrow of the new OAS secretary general. The results of this election will be disclosed at noon tomorrow.

In Kuala Lumpur Goldenberg closed the 10th General Conference of the South Pacific Economic Cooperation Conference (PECC) with the approval of a declaration emphasizing the private sector's participation in promoting free trade and investments for joint Asia-Pacific development.

The day before, Goldenberg addressed an audience of some 200 bankers and investors from Japan, Hong Kong, Singapore, and other Asian countries.

The minister's speech focused on the changes taking place in the Peruvian capital market, one of the most attractive of the region.

This phenomenon is caused by the positive influence of the privatization process currently under way and the consolidation of a national market which is opening its doors to foreign markets.

The foreign minister commented that this situation has benefited by Peruvian laws and recent agreements on the protection and promotion of investments, signed at a bilateral as well as multilateral level.

Another important aspect of the prime minister's visit is the meeting he held with one of the representatives of the Malaysian business sector, T.Y. Lee, who voiced his desire to invest in Peru.

Fishing and mining as well as the lumber industry were the sectors in which the businessmen voiced most interest.

Minister Goldenberg had the opportunity to meet with other government representatives, such as the Thai vice premier, the Malaysian prime minister, the U.S. National Security Council adviser for Asian affairs, and the Indonesian economic coordinating minister.

Poll Shows Fujimori's Popularity Recovering

PY0804184694 Lima EXPRESO in Spanish 27 Mar 94 p A9

[Text] According to the last report issued by the Apoyo survey company in March, President Alberto Fujimori obtained 61 percent support for his government, which shows a three-point recovery of the eight points lost in February as a result of the promulgation of the polemic Cantuta law. Moreover, the way in which the government is handling the economic policy obtained the approval of 42 percent of the polled people, which is the same as last month.

Apoyo also asked people what they thought about the current government: 51 percent said they thought it was democratic and 31 percent a dictatorship.

In February, however, 61 percent believed Fujimori's government was democratic. This 10 percent drop is probably an indication that the effects of the Cantuta law still prevail.

This probably also explains why the number of people who would vote for Fujimori remains at 40 percent (although the number of people who approve of his performance has increased), while those who would vote for Javier Perez de Cuellar has increased from 41 to 44 percent.

This also shows in the fact that 43 percent have said they will vote for Fujimori, 28 percent for an independent candidate, and 12 percent for an opposition candidate. Which means that the people favor an independent rather than an opposition candidate, which, in turn, is in line with the increasing support for Perez de Cuellar, who is not viewed as an opposition candidate but rather as a continuation of Fujimorism without Fujimori, as a "democratic" Fujimorism or free of Fujimori's "dictatorial" aspects.

However, approval for the political opposition has increased by one point (34 percent) and disapproval dropped by two points, that is, from 45 to 47 percent, which reveals a slight improvement.

Moreover, Clae [Latin American Center of Business Counseling] President Carlos Manrique's popularity has

dropped since last November. The percentage of people who consider him a dishonest person has increased from 54 to 61 percent. There are, however, 27 percent who consider him honest.

But only 10 percent believe in what Manrique says. Which means that 17 percent believe he is honest but do not believe what he says. Can one be honest and a liar at the same time? This is a paradox of polls.

Roundup of Insurgent Activities

PY1104195694

[Editorial Report] The following is a compilation of reports on insurgent activities in Peru compiled from Peruvian media monitored through 11 April.

Alleged members of the Shining Path, SL, maoist group last night bombed some high tension pylons. The city of Juliaca, on the border with Bolivia, was left in the dark. A Latino Bank branch was also bombed causing serious material damage. (Madrid EFE in Spanish 1815 GMT 2 Apr 94)

A group of 183 Ashaninkas indigenous people who had been members of the SL for the past four years, hacked the seven SL leaders to death with machetes when they saw a peasant defense patrol coming to free them. The incident took place at dawn on 27 March in Shequireni, on the River Tambo bank, 80 km south of Satipo. The terrorists were sleeping when the peasant defense patrol surrounded the camp to free the Ashaninkas. (Lima EL COMERCIO in Spanish 29 Mar 94 p A11)

Two members of the Tupac Amaru Revolutionary Movement (MRTA), identified as Jorge Enrique Santiago and Juan Lazaro Garcia Carranza, were arrested by the police in the Progreso shantytown in Chimbote. They were carrying submachine MGP 22480 which belonged to a policemen they murdered two years ago. In another operation, Monterrey police station personnel arrested Glicerio Pedro Ciriaco Pajuelo, 42, who was inciting Tahuantisuyo peasants to lynch Agriculture Ministry workers. (Lima EXPRESO in Spanish 27 Mar 94)

SL members, armed with AKM guns and pistols, are believed to have gunned down, on 26 March at point-blank range, Mayor Gregorio Lecca Franco, 54, of Huaylillas District, La Libertad Department, as he was on his way home. (Lima EXPRESO in Spanish 27 Mar 94 p A24)

Colonel Adolfo Unda Rojas, chief of the Political-Military Command of the Apurimac Southeastern Security subzone presented to the media three new repentant terrorists: Comrades Roberto, Luis, Javicho were arrested in Amizo town, South of Apurimac on the border with Ayacucho. Their arrest led to the confiscation of literature, ammunition, fuses, and explosives in Amizo. (Lima EL COMERCIO in Spanish 26 Mar 94 P A11)

The Peruvian National Police, PNP, have completely dismantled the SL Northern Regional Committee, CRN-SL, with the arrest in Chiclayo of two of its most important leaders within the framework of the Remate-1 operation. The first to be arrested was Jose Flavio Gonzalez Perez, aka Pavel, 36, whom the police believes heads the Great Unit No. 2 of the CRN-SL. Pavel's brother Segundo Salvador Gonzalez Perez, aka Eduardo, 46, was also arrested. He leads the Lambayeque Zone Committee and CRN-SL Peoples' Aid Committee. Within the same operation the police also arrested Nolbel Torres Sanchez, 26, and Salatiel Davila Anambal, aka Jose, 41, who are members of the logistic support group for the Lambayeque Zone Committee; Luis Antonio Guerrero Mestanza, aka Juan, 28, a member of the so-called Peoples' Guerrilla Army of the Lambayeque Zone Committee; while Karl Lenin Gonzales Rodriguez, aka Antonio, 19, surrendered. The six are at the Picsi Jail. Their arrest caused the failure of the so-called Second National Congress which the SL was preparing in Chiclayo. Colone Marco Miyashiro, head of the PNP Counterterrorism Division, said the CRN-SL has reorganized itself into the Great Unit No. 1 formed by the La Libertad, Cajamarca, and Chimbote zone committees and Great Unit No. 2 formed by Lambayeque, Piura, Tumbes, and Amazonas zone committees. (Lima LA REPUBLICA in Spanish 26 Mar 94)

General David Jaime Sobrevilla, head of the Political-Military Command of National Security Zone No. 7, today disclosed that in less than a year some 2,000 Ashaninkas indigenous people from Satipo Province have been rescued from the hands of terrorists and have returned to their villages to work. (Lima EL COMERCIO in Spanish 30 Mar 94 p A14)

Uruguay

New Overtime, Vehicle Purchasing Rules Issued

PY0804204294 Montevideo EL OBSERVADOR ECONOMICO in Spanish 30 Mar 94 p 6

[Text] The executive branch yesterday issued regulations on overtime in the public administration and limited the purchase of vehicles by ministerial departments. The government also raised the level of extra budgetary resources that can be used to pay for budget items from 20 percent to 30 percent.

This mini-economic package is the fourth approved by Economy and Finance Minister Ignacio de Posadas' administration to contain public spending. The previous packages were approved in February 1992 and March and June 1993.

The first decree released yesterday establishes that overtime is work completed in addition to the normal workday, in either a six-hour or an eight-hour workday regime, according to the case. A normal work week cannot exceed 30 or 40 hours.

The overtime period cannot exceed one and a half or two hours per day, or 26 to 40 hours per month, for the six-hour day or the eight-hour day, respectively. Exceptional work periods can be authorized when there is a lack of personnel to do the job.

Overtime on public holidays may not exceed four hours per day. Overtime financed by third parties may not exceed 80 hours per month per employee.

Overtime will be paid at 50 percent over the normal hourly rate. Permanent overtime will not be authorized in any case.

As of 1 January 1994, the public administration will reduce its overtime by 25 percent compared to the previous year.

The second decree that was approved yesterday suspends the purchase of vehicles by state offices until 31 December 1994.

Funds used to purchase new vehicles must come exclusively from the sale of used units. Vehicles will be replaced starting with those purchased before 1 January 1986 and those that are unusable.

The decree establishes the obligation to sell vehicles older than 1986 by 31 December 1994. Unusable vehicles, up to 25 percent of the total fleet, will also be sold by that date, except for vehicles belonging to the Interior and Public Health Ministries.

Venezuela

President Caldera Frees 18 Coup Members

PA0904044094 Caracas EL GLOBO in Spanish 7 Apr 94 p 5

[Report by Jose Ramon Diaz]

[Text] Continuing with the pardon policy for military members who took part in the 4 February and 27 November [1992] uprisings, President Rafael Caldera yesterday afternoon ordered the release of only 18 of the 20 participants that he had announced two nights ago on television.

According to information obtained from sources close to the courts martial office, those released include Captain Leonardo Frank Ovalles de Pablos; Lieutenants Jesus Vinas Garcia, Luis Molero, Ramon Sulbaran Lovera, Daniel Prado Aguana, Luben Sanabria Contreras, Jose Parra Sosa, Richard Marquez, and Nestor Enrique Perez.

Likewise, Technician Third Class Edgar Jose Meza Munoz; Technical Sergeants Alfredo Riera Hernandez, Richard Perez Perez, Carlos Enrique Oviedo Figueroa, Carlos Eugenio Oviedo Figueroa, Ali Lujan Melendez, Walfredo Salazar, Jose Luis Montanez Chirguita; Airman Joel Gadea Garcia; and an alleged civilian conspirator surnamed Aguilera Orellana.

It was also said that all of the aforementioned will rejoin the Armed Forces, less two officers who opted to enter politics.

Finally, court sources gave assurances that Rear Admiral Luis Enrique Cabrera Aguirre and Colonel Higinio Castro will be pardoned on Saturday and will leave the service.